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Japan

UN Resolution on Iraq Sanctions Welcomed

OW0708035890 Tokyo KYODO in English 0341 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Japan welcomed Tuesday the United Nations Security Council resolution calling for global economic sanctions against Iraq to protest the invasion of Kuwait last week. Foreign Minister Taro Nakayama said in a statement that Japan backs the Monday resolution for comprehensive sanctions against Iraq.

"The Government of Japan regards as of the highest significance that the international community has decided, through the U.N., to combine their efforts to act towards withdrawal of Iraqi troops and restoration of peace in the region," the statement said. It also said the Government of Japan "reiterates its strong hope" that the goals of the resolution will be achieved as soon as possible.

Japan's own sanctions, announced Sunday, were officially approved at a cabinet meeting Tuesday, officials said. The Japanese sanctions ban import of oil from both Iraq and Iraqi-occupied Kuwait, embargo exports to either nation, suspend investments, loans and other capital transactions, freeze economic cooperation with Iraq. Japan has already frozen Kuwaiti assets in Japan.

Moves To Implement Sanctions

OW0708061990 Tokyo KYODO in English 0607 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—The Finance Ministry decided Tuesday to implement economic sanctions against Iraq, including a freeze on Iraqi assets, under a law governing foreign exchange flows instead of through administrative guidance, ministry officials said. The decision came after a U.S.-proposed resolution was adopted overwhelmingly by the United Nations Security Council calling for a worldwide embargo on trade with Iraq to protest its invasion of Kuwait, the ministry officials said.

On Sunday, the government announced a decision to impose economic sanctions against Iraq, including a ban on oil imports and exports to the two Middle East countries. As part of the measures, the Finance Ministry was to freeze Iraqi assets in Japan, suspend loans, and ban Japanese investment and financing in both Iraq and Kuwait through administrative guidance because the law requires some kind of international binding action to take those steps against a specific country. The officials said the U.N. resolution satisfies the requirement for legal measures under the law and added that an official announcement on this decision will be made public within the week at the earliest.

Foreign Ministry on Status of Japanese in Kuwait

OW0708053490 Tokyo KYODO in English 0513 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Iraqi troops have apparently not included Japanese among foreign nationals rounded up in occupied Kuwait, the Japanese Foreign Ministry said Tuesday. The Japanese Embassy in Kuwait confirmed that Japanese are not among the detainees and that about 100 of the confirmed 272 Japanese in Kuwait have gone to the Japanese Embassy or to the residences of the Kuwait bureau chiefs of Japan Airlines Co. and Mitsui and Co. at the instruction of embassy officials. The 100 had been staying at hotels in the Kuwaiti capital or in condominiums along seashore streets, officials said.

Foreign Minister Taro Nakayama said the ministry is instructing embassy officials to call all 272 Japanese to the embassy compound where there is food and other supplies to feed 300 people for 10 days. It is apparently also possible to shop in Kuwait during the daytime, he added. Prime Minister Toshiki Kaifu expressed concern over reports that Iraqi troops have been detaining U.S., British and other foreign nationals in Kuwait.

Earlier in the day, government sources said Japan is ready to ask Iraq directly to assure the safety of Japanese nationals in both Iraq and Kuwait through either the Iraqi Embassy in Tokyo or through the Japanese ambassador in Baghdad. There are 490 Japanese in Iraq, according to the Foreign Ministry.

The sources expressed strong concern over possible moves by Iraq against Japanese, noting that Japan has also imposed economic sanctions against Iraq as have the United States and European countries. In Kuwait City, 22 Japanese airline workers are said to be without communications to Tokyo and other firms with Japanese staff in the city, including Mitsubishi Corp., are having difficulty confirming their employees' safety, ministry officials said.

According to information obtained by the Japanese Embassy in Kuwait, Americans, Britons, West Germans, French, Italians and Dutch citizens were rounded up by Iraqi invasion troops and taken away on buses to unknown destinations. In Cairo, Arab sources said it was not clear if Japanese are to be targeted along with the Americans, British and other nationals so far confirmed to have been detained. Officials at Japanese embassies in Baghdad and Cairo said they have received no information on the detention of Japanese nationals. In Baghdad, a Japanese tour agent, said his tour group of 18 Japanese have no restrictions on their conduct because they have valid visas, but another tour leader told KYODO NEWS SERVICE in a telephone interview that some members of her 13-person group are beginning to feel the strain of the continuing tension in Baghdad.

Japan To Ask Saudi Arabia To Raise Oil Output

OW0608141490 Tokyo KYODO in English 1328 GMT 6 Aug 90

[Text] Tokyo, Aug. 6 KYODO— The Ministry of International Trade and Industry (MITI) decided on Monday to ask Saudi Arabia and the United Arab Emirates (UAE) to increase their oil output to lessen the impact of Japan's embargo on oil imports from Iraq. The move followed a decision made by the government on Sunday to impose broad-ranging sanctions on Iraq for its invasion of Kuwait last week. The oil import ban is expected to cut Japan's oil purchases by an estimated 450,000 barrels per day, or 12 percent of its total imports. The timing and manner in which the request will be made has not been determined, but ministry sources said chances are that it will be made during a visit to five Middle East nations by Prime Minister Toshiki Kaifu beginning on August 15.

Apart from the effort to secure other sources of oil supply, MITI is considering providing financial assistance to small and medium-sized firms hit hardest by the sanctions, the sources said. The ministry also plans to urge Japanese enterprises to step up energy conservation measures. The sources also said the ministry is expected to allow oil companies to raise prices of oil products. "It is permissible for oil companies to pass on increased costs of oil imports to consumers, if it is limited to a really necessary level," a ministry official said.

The Petroleum Association of Japan asked the ministry to allow the price hike to cope with increasing costs expected from Japan's ban on oil imports from Iraq and Kuwait. Analysts said the association, though not ready to impose an immediate price increase, will take an action around October if oil prices continue to stay high. A one dollar per barrel jump in oil prices pushes up costs of oil imports by one yen per litter.

The call for price increase, which reversed the oil industry's earlier view that the Iraqi invasion of Kuwai would not have a serious long term impact on the oil market, reflects growing uncertainty surrounding the future development of the dispute, according to the sources. To address lingering fears of a possible oil crisis in Japan, the ministry also said it will ease its grip on oil stockpiles held by the private sector. Current regulations require oil companies to preserve oil stocks equivalant to at least 82 days of consumption.

Japan's private sector has oil stocks sufficient for 88 days, while the government has enough to last another 54 days. Oil industry analysts believe Japan can survive for at least another two years without depending on other oil producers. The ministry will also allow more imported crude to be used in manufacturing oil products to cover the reduction in imports from Kuwait. Meanwhile, Japanese trading houses expect Iraq's debt repayments will worsen following the imposition of sanctions, as the oil import ban means a halt to the bilateral agreement which allows Iraq to pay part of its 700 billion yen debts through oil exports.

To cope with the situation, some traders plan to ask MITI to cover their losses through trade insurance, but it is unlikely the ministry will quickly agree to deplete the insurance fund amid tight budgetary situation, industry sources said. Traders also exressed concern about the safety of their staff staying in the two countries. The interim government in Kuwait has reportedly threatened to hold foreigners as hostages in retaliation for the sanctions imposed by Western governments. "We have lost contact with about 30 staffers and their families now staying there," an official at Mitsubishi Corp. said. Regarding the suspension of all trade with Iraq and Kuwait, however, they were optimistic and said the impact of sanctions on Japan will be minimal due to the small scale of bilateral trade.

Steel Mills Stop Making Products for Iraq

OW0608142890 Tokyo KYODO in English 1350 GMT 6 Aug 90

[Text] Tokyo, Aug. 6 KYODO—Major Japanese steel mills, including Sumitomo Metal Industries Ltd., Monday decided to stop manufacturing steel products on order from Iraq and Kuwait, in accordance with the Japanese Government's decision to impose economic sanctions against Iraq, industry officials said. The mills also decided not to ship steel products already manufactured under contracts with Iraq. Sumitomo metal industries, which has unfilled Iraqi orders for about 8,000 tons of steel products, centered on pipes, and Kuwaiti orders for about 400 tons, decided not to ship the 400 tons of steel products now being manufactured nor to manufacture the remaining 8,000 tons of steel products on order.

NKK Corp., which last year won orders for a total of 25,000 tons of steel products from Iraq and Kuwait, and felt that larger orders would come this year from the two countries, also decided on similar measures. Other major mills, including Nippon Steel Corp., also decided to follow suit. The Japan Iron and Steel Federation said shipments to Iraq and Kuwait in 1989 reached 161,000 tons, about 0.8 percent of Japan's total steel products exports in that year. Shipments to Iraq in the first five months of 1990 totaled 44,000 tons and to Kuwait 16,000 tons, making a total of 60,000 tons, or 0.9 percent of Japan's total steel products exports in the five-month period. Steel mills said the suspension of their exports to Iraq and Kuwait will have no major effect on their export trade as a whole.

Kuwaiti Official Hails Sanctions Against Iraq

OW0608073890 Tokyo KYODO in English 0658 GMT 6 Aug 90

[Text] Tokyo, Aug. 6 KYODO—Japan's decision Sunday to implement economic sanctions against Iraq over its invasion of Kuwait has met the tiny oil-rich

emirate's expectations, Kuwaiti diplomatic sources in Tokyo said Monday. "We definitely welcome it," said one Kuwaiti official on the Japanese Government's move to ban oil imports from Iran and Kuwait, embargo exports to the two countries, suspend loans, investment, and other capital transactions with them, and halt economic cooperation to Iraq. The diplomat also welcomed Japan's decision Friday to place restrictions on the transfer of Kuwaiti assets in Japan to avert their usurpation by proxies of Iraq.

The Kuwaiti Embassy also issued a formal statement denouncing the alleged new Kuwaiti Government as a "puppet government" installed as a result of Iraqi aggression. "The Kuwait people cannot accord any importance to this alleged government," the statement said. It further warned against "any dealings with any party" affiliated with it. The statement reaffirmed the embassy's allegiance to the Amir of Kuwait, Shaykh Jabir al-Ahmad al-Jabir al-Sabah, and the government of Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah. Iraq Embassy officials, meanwhile, had no comment to make on the Japanese sanctions against Baghdad.

PRC Reportedly Lobbied To Join Iraq Sanctions

OW0708035090 Tokyo KYODO in English 0329 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Japan lobbied China not to use its veto at the United Nations Security Council to block economic sanctions against Iraq for its invasion of Kuwait last week, Japanese Government sources said Tuesday. China was initially cautious of imposing sanctions against Iraq on the grounds major countries should not intervene in a regional conflict and that the Iraq-Kuwait problem is a regional matter to be solved by Arab countries, the sources said.

Japan, concerned that China, a permanent member of the Security Council, might veto sanctions against Iraq, "strongly requested" China to decide its U.N. policy carefully and taking into account international condemnation of Iraq, the sources said. The Security Council voted for U.S.-initiated economic sanctions against Iraq on Monday. Japan has recently decided to gradually unfreeze an 810 billion yen loan package to China which was suspended after the Chinese military crackdown on pro-democracy demonstrators in June last year.

MITI Reports Oil Consumption Remains Strong

OW0408042890 Tokyo KYODO in English 1428 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan's overall energy consumption in fiscal 1989 totaled 337 million kiloliters in terms of crude oil, up 3.4 percent from the previous year, but down from the increase ratios recorded in the preceding two years, the Ministry of International Trade and Industry (MITI) said Friday. The transportation sector's energy consumption posted a 6.5 percent growth, reflecting an increase in the number of motor vehicles owned, greater recreational demand and expanded distribution services.

Energy usage was up 2.8 percent in the manufacturing sector due to a slowdown in production. Household energy consumption also showed a small 2.1 percent increase, due chiefly to a mild winter last year. The primary energy supply in the year totaled 499 million kiloliters, in crude oil terms, a 3.7 percent increase over the previous year. The percentage share of oil and natural gas increased, while that of coal and hydroelectric power declined. The rate of dependence on oil was 57.9 percent, up for the fourth consecutive year. Carbon dioxide emissions resulting from energy consumption reached an estimated 304 million tons, in carbon terms, up 3.4 percent from the previous year.

Government To Ease Oil Stockpile Restrictions

OW0708100290 Tokyo KYODO in English 0941 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Minister of International Trade and Industry Kabun Muto said Tuesday that the government is ready to ease its restrictions on the use of oil stockpiles in Japan to minimize fears of an oil crisis. "If the spiral in oil prices continues, we are ready to allow a drastic decline in the required oil stock level in order to cool the market," Muto told a press conference.

Japan's ban on oil imports from Iraq and Kuwait following Iraq's invasion of its oil-rich neighbor last week kindled fears of an oil crisis in Japan and boosted oil prices. Japan depends on imports for 99 percent of its oil and the embargo in oil imports from the two countries is expected to cut the nation's supply by 12 percent. In Tokyo dealings, Tuesday, the price of the spot benchmark Dubayy crude surged nearly 4 dollars to around 26 dollars per barrel.

Asked whether the use of oil stockpiles will start in the public or private sector, Muto said it is appropriate to use stocks in the private sector first. Japanese stockpiles of oil were sufficient for 142 days of consumption at the end of June, of which 88 days worth are reserved in the private sector. Under government regulations, oil companies are required to stockpile enough oil to last for at least 82 days.

Finance Minister Seeks To Reassure Investors

OW0708040490 Tokyo KYODO in English 0350 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday he thinks the Japanese stock market will regain stability soon despite its continued plunge in Tuesday morning trading caused by fears of inflation stemming from Iraq's invasion of Kuwait. Stock prices have taken a beating because

market conditions have become uncertain in the aftermath of the Middle East turmoil and the U.N. Security Council's resolution calling for sanctions against Iraq, Hashimoto told a news conference.

But he assured investors there will be no serious impact in the immediate future because Japan has sufficient crude oil reserves despite its decision to suspend oil imports from the two Arab nations, which supply about 12 percent of Japan's crude needs. Hashimoto also played down inflationary pressures expected from soaring oil prices. "We're not in a situation where we need to change monetary policy," he said. "What we must do first is to let the public know we have enough crude oil reserves and to minimize public uncertainties."

Bond Prices Drop Further After Kuwait Invasion

OW0708090890 Tokyo KYODO in English 0831 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—Japanese Government bond prices dropped further Tuesday as the turmoil in the Middle East discouraged dealers and prompted selling. The key September futures contract fell to a record low in the morning session. Buy-backs appeared in the afternoon session but did not prevent prices from closing even lower than the previous day.

The September contract on 10-year bonds lost 0.67 yen to 90.01 yen, yielding 0.131 percentage point more at 7.775 percent. The benchmark No. 119 spot issue of 10-year bonds slid 0.63 yen to 83.02 yen, for a yield of 8.085 percent, up 0.145 percentage point. Prices fluctuated widely in the afternoon but the bearish mood was unchanged from the morning session. In the middle of the afternoon session there were some buy-backs by dealers and small-lot purchases by investors who were relieved that the situation in the Middle East had not worsened.

There were also some hopeful participants who believe, as one dealer said, "that it will take a long time yet" for higher crude oil prices to start having an effect on the economy. The buying temporarily pushed the yield of the No. 119 spot issue almost below the 8 percent level, while the September contract in the futures sector climbed to 90.50 yen. Selling regained momentum at these levels, however, and prices again plunged into a flucuating movement, closing lower than the previous day.

Olympic Committee Mourns Kuwait Official's Death

OW0708065390 Tokyo KYODO in English 0623 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—The head of the Association of National Olympic Committees (ANOC) has mourned the death of Olympic Council of Asia President Shaykh Fahad of Kuwait in fighting following Iraq's invasion of his country. ANOC President Mario Vazques Rana of Mexico said in a facsimile to the Japanese Olympic Committee Monday that Fahad, who was also an ANOC vice president, contributed very importantly to the development of the Olympic Movement and that world sport will suffer due to his death. Having received Rana's facsimile of condolence, Japanese officials are now convinced of Fahad's death. The Cairo-based MIDDLE EAST NEWS AGENCY announced Fahad's death Thursday, but retracted the report the following day.

Finland Visit Planned After Middle East Tour

OW0408090690 Tokyo KYODO in English 0814 GMT 4 Aug 90

[Text] Tokyo, Aug. 4 KYODO—Prime Minister Toshiki Kaifu will meet Finnish Prime Minister Horri Holkeri in Helsinki on his way home from a visit to the Middle East, government sources said Saturday. In the meeting with Holkeri probably on August 25 or 26, Kaifu hopes to discuss Finland's ties with the Soviet Union, with which it has a 1,300-kilometer-long border, the sources said. Kaifu is scheduled to leave Tokyo for a 13-day visit to Turkey, Saudi Arabia, Oman, Jordan, and Egypt. He will make a stopover in Bangkok en route to Turkey and in Helsinki on his way home.

Nakayama Returns Home From Southeast Asian Trip

OW0508041290 Tokyo KYODO in English 0332 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—Foreign Minister Taro Nakayama returned home early Sunday from Thailand after winding up an 11-day trip to Southeast Asian countries.

After leaving here on July 26, Nakayama attended the expanded foreign ministerial meeting of the Association of Southeast Asian Nations (ASEAN) held in Jakarta and the Asia Pacific Economic Cooperation (APEC) ministerial meeting held in Singapore.

He also visited Thailand and Laos to meet the leaders of the countries.

Sakurauchi Returns From USSR, UK Visit

OW0208125990 Tokyo KYODO in English 1109 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Yoshio Sakurauchi, speaker of the House of Representatives, returned Thursday from an 11-day visit to the Soviet Union, Denmark, and Britain. Sakurauchi, who led a Japanese parliamentary mission, met Soviet President Mikhail Gorbachev during his stay in Moscow.

Japan, U.S. Construction Talks Flounder

OW0408025490 Tokyo KYODO in English 0008 GMT 4 Aug 90

[Text] Washington, Aug. 3 KYODO—Japan and the United States ended two days of construction market

talks in Washington on Friday without making any visible headway, officials said. A senior Japanese official said the two countries will hold another meeting in Tokyo in September to review an agreement on major projects open to foreign participation, signed in May 1988. He said the U.S. questioned two specific cases of bidding—an automated guided transport system (AGT) or people mover and a baggage-handling system at a Kansai International Airport terminal now under construction.

Sen. Frank Murkowski of Alaska on Thursday mentioned allegations by AEG Westinghouse of the U.S. that the bids for the AGT were not opened in public. Niigata Engineering Co. of Japan won the contract. The Japanese official said the builders of the Kansai Airport terminal are in the process of studying bids for the baggage-handling system. U.S. trade negotiators noted during the meeting with Japan that the Senate passed an amendment Thursday night to the energy and waters appropriations bill that would bar foreign firms from participating in U.S. public works projects if their home countries discriminate against U.S. companies in public works projects.

The 1988 construction agreement covers 17 major public works projects in Japan, but the U.S. is asking for greater participation in other public and private construction projects. The two-day meeting also dealt with the practice of designating bidders for some projects, rankings of registered firms, issues surrounding joint ventures, parts procurements from subcontractors, and "dango" or bid-rigging. Japanese officials said U.S. companies have won 29.8 billion yen worth of contracts in connection with "roughly 20 percent" of the 17 projects. The 17 projects are expected to generate about 440 billion yen worth of contracts for both Japanese and foreign concerns. Additionally, Japanese officials said, U.S. firms have contracted 71.1 billion yen in private-sector construction projects in Japan in the past year.

Talks Planned With U.S. on Military Costs

OW0408091590 Tokyo KYODO in English 0852 GMT 4 Aug 90

[Text] Tokyo, Aug. 4 KYODO—Japan and the United States will discuss in Washington later this month Japan's next defense program and its sharing of the cost of maintaining U.S. forces in the country, officials said Saturday. Kazuo Fujii, head of the Defense Agency's Defense Bureau, is scheduled to leave for Washington August 10 for talks with Henry Rowen, assistant secretary of defense for international security affairs. Officials said the talks between Fujii and Rowen will also focus on a strong U.S. request that Japan purchase Airborne Warning Control System (AWACS) aircraft.

The officials said both sides are widely apart on the two issues and rough going is expected in the negotiations between Fujii and Rowen. The U.S. Government is asking Japan to purchase more than 12 AWACS planes and 20 aerial refueling aircraft while the Defense Agency plans to purchase about four AWACS planes for the defense of sea-lanes. The AWACS is estimated to cost about 30 billion yen each. The officials said it would be difficult for the agency to win public support for the purchase of such aircraft which will substantially boost Japan's air defense capabilities in light of growing East-West detente. The Foreign Ministry and the Defense Agency have yet to adjust views on the increment of Japan's financial burden to support U.S. forces deployed in Japan, the officials said.

Investors Said Cautious Over U.S. Securities

OW0408104490 Tokyo KYODO in English 0930 GMT 4 Aug 90

[Text] Tokyo, Aug. 4 KYODO—Japanese institutional investors are increasingly cautious about purchasing U.S. Government securities ahead of the quarterly three-day auction which begins on Tuesday, financial industry sources said Saturday. The cautious attitude would result in a reduction in the Japanese share in the coming auction to less than 20 percent from about 30 percent at the previous one, held in May, they said.

The August auction, totaling 32.25 billion dollars, up one billion dollars from the previous auction, comprises 11.5 billion dollars worth of 3-year treasury notes, 10.5 billion dollars of 10- year notes and 10.25 billion dollars in 30-year treasury bonds. The sources blamed the less active participation in the auction to a narrower gap in interest rates between Japan and the United States, which shrank to 0.8 percentage point this month from 2 points in May, making dollar investments less attractive than before.

Uncertainties over U.S. credit conditions due to unsuccessful federal budget negotiations between President George Bush and Congress and the crisis in the Middle East made Japanese investors including life insurers and funds trust reluctant to increase the share of treasury securities in their portfolio, the sources said. "Taking currency exchange risks into consideration, there is no advantage in investing in the U.S. dollar-denominated securities," a treasurer at Meiji Life Insurance Co. said.

Government Reportedly Set To Resume Aid to PRC

OW0408113890 Tokyo KYODO in English 1124 GMT 4 Aug 90

[Text] Tokyo, Aug. 4 KYODO—Japan is to reopen its aid package to China by extending 36.1 billion yen worth of loans for six projects, including a hydroelectric power generating station, government sources said Saturday. The six projects are part of 16 projects totaling 120 billion yen in the initial year for the loan package worth 810 billion yen, promised in 1988 for fiscal 1990-1995, which had been freezed in a protest to Beijing's military crackdown on pro-democracy demonstrators in June last year.

Former Prime Minister Noboru Takeshita will formally notify the government decision to China during his trip to Beijing in September, the sources said. The Japanese decision followed a tacit approval by the U.S. Administration at the Houston summit in early July to resume Japan's lending to China, suspended after the Tiananmen crackdown in a coordinated move with Western industrialized democracies. In view of a U.S. opposition to resumption of loans except for those for humanitarian projects, the sources said, the six projects are a power station, a dam, a sewerage system and three chemical fertilizer plants.

Chinese Fishermen Illegally Land on Island

OW0208151890 Tokyo KYODO in English 1424 GMT 2 Aug 90

[Text] Nagasaki, Aug. 2 KYODO—A Maritime Safety Agency [MSA] patrol boat captured a Chinese fishing boat and 17 crew members Thursday after it found they had landed on an uninhabited island off Nagasaki. The patrol boat took the 30-ton No. 7 Dong Shun to Nagasaki Port, agency officials said. The agency will question the seamen on suspicion of illegal landing on Friday, they said. MSA officials on board the patrol boat found the Chinese landing on the island 170 kilometers southwest of Nagasaki. The Chinese tried to escape in their fishing boat but the patrol boat gave chase and seized it, the officials said.

Bank To Open Taipei Representative Office

OW0308020590 Tokyo KYODO in English 1549 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—The Bank of Tokyo will open a representative office in Taipei on Friday, a move seen as opening the way for further entry by Japanese financial institutions into the Taiwan market, international financial sources said Thursday. The sources said the bank applied to Taiwan authorities for permission and notified the People's Bank of China of the establishment of a new office. While Taiwan welcomed the move, China expressed regret over it, they said.

The bank will be the first Japanese financial institution to set up a base in Taiwan since Taipei introduced a one-country-one-bank policy in the late 1950s. The only Japanese bank now allowed to operate in Taiwan is Dai-Ichi Kangyo Bank. The sources said this will also activate advances by Taiwanese banks into the Japanese market, also frozen for more than 30 years. The Japanese Government has already given permission to Chang Hwa Commercial Bank of Taiwan to open an office in Tokyo. Initially, the Bank of Tokyo had planned to open its Taiwan office in July, but gave up the plan due to strong opposition by China. But the plan has materialized as the Chinese Government has eased its stance after Japan decided to reopen its loans to that country, on hold since the military suppression on the prodemocracy movement in Beijing in June last year.

Phased Korean Unification Plan Proposed in Osaka

SK0508000490 Seoul THE KOREA HERALD in English 5 Aug 90 p 2

[Text] Osaka, Japan (Yonhap)—Yi Se-ki, former south Korean minister of national unification, proposed Saturday a three-phase plan for national reunification at an international seminar on Korean studies which opened here Friday for a three-day run. Pointing out that the heterogeneity between south and north Korea has deepened since its division in 1945, Yi said that the unification policy should be taken on a gradual basis.

In the first phase, he said, the two states should recognize each other, forming a confederation under which two states and one people exist and then two political systems under one nation before unifying one nation and one people in the final stage. Yi also said that four big powers surrounding the Korean Peninsula should become guarantors for peace while establishing nonaggression pacts with south and north Korea.

In his keynote speech at the seminar, Kim Chol-myong, vice chairman of a north Korean socio-scientists' association, renewed Pyongyang's call for the creation of a "Korea federation" as a way for reunification. In the meantime, organizers of the seminar proposed the creation of an international society for Korean studies during the opening session. The seminar, organized jointly by the Osaka University of Economy and Law and the Beijing University, has been held in Osaka and Beijing alternately since 1988.

Burmese Nationals Demand Democratization

OW0508111690 Tokyo KYODO in English 0955 GMT 5 Aug 90

[Text] Tokyo, Aug. 5 KYODO—About 100 Myanmar residents staged a rally in Tokyo on Sunday demanding Yangon's ruling military junta transfer power to the opposition party which won a landslide victory in May's general elections. The demonstrators also said they were marking the second anniversary of incidents on August 8, 1988 when thousands of citizens held street protests against the government and many were shot dead by the military.

They shouted slogans in front of the Myanmar Embassy and called for the release of detained opposition leader Aung San Suu Kyi, whose National League for Democracy (NLD) recorded a landslide victory on May's general election. Raising clenched fists, the demonstrators demanded the start of negotiations between the military government of Prime Minister Saw Maung and the NLD on an early transfer of power in accordance with the election results. Their banners carried pro-democracy slogans written in Burmese, Japanese, and English. Demonstrators put letters urging the democratization to the embassy's mail box as embassy personnel refused to meet them. Earlier in the day, the Myanmar nationals, joined by Japanese supporters, held an indoor meeting to

mourn those killed in the incidents of two years ago and others who died in subsequent incidents.

MITI Initiates International Trade Study Group

OW0108134390 Tokyo KYODO in English 1301 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—The Ministry of International Trade and Industry (MITI) inaugurated a special team Wednesday to study international trade-related laws and their implementation in major industrial nations. The group, set up within the ministry's International Trade Policy Bureau, will collect information concerning international trade and release a report annually on whether trade policies in other industrial nations are implemented in accordance with the rules of the General Agreement on Tariffs and Trade (GATT).

The practice is patterned after that of the office of the U.S. trade representative, which releases an annual report on trade barriers in foreign countries. If unfair trade practices are found in foreign nations, the ministry will report them to the GATT's trouble-shooting panel and appeal to world opinion through the Organization for Economic Cooperation and Development (OECD), ministry officials said.

OECD Further Views Shipbuilding Subsidies

OW0108115390 Tokyo KYODO in English 1141 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—A liaison group from the Organization for Economic Cooperation and Development (OECD) has decided to continue reviewing government subsidies for shipbuilding, Transport Ministry officials said Wednesday. The decision was taken at a group meeting in Paris on Monday and Tuesday attended by representatives from Japan and 15 other member countries plus the European Community (EC).

Two other issues which will continue to be reviewed are the types of ships to be bound by a new agreement on government subsidies, to be concluded by the end of this year, and procedures for solving disputes over violation of agreed rules, the officials said. The meeting resulted from an appeal filed in June last year by the U.S. shipbuilding industry to the U.S. trade representative's office seeking retaliatory action against Japan, West Germany, South Korea and Norway under the Super 301 clause of the U.S. Trade Act. The appeal claimed the four countries resort to unfair trade practices that hurt the U.S. industry. The U.S. industry charged that the Japanese Government offers low-interest loans to shipbuilders to help promote their restructuring and provides various forms of subsidies to aid ship exports, and research and development projects.

EC Said Unveiling Campaign To Promote Exports

OW0108175790 Tokyo KYODO in English 1439 GMT 1 Aug 90

[Text] Brussels, Aug. 1 (KYODO)—The European Community (EC) commission unveiled on Wednesday a three-year plan to promote EC exports to Japan in an attempt to reduce its nearly $20 billion annual trade deficit with Japan. The executive body of the 12-nation EC said it plans a thorough study of Japanese markets, mainly in such areas as furniture, jewelry, measurement and analysis equipment, and health foods. It also wants to boost the image of EC products by waging a big campaign through Japan's mass media. The export promotion scheme is part of an agreement reached at a Japan-EC ministerial meeting in May on stepped-up efforts by the EC for greater exports to Japan. In fiscal 1989 ended March 31, EC exports to Japan totaled only $29.3 billion against $48.5 billion in imports.

Japan To Train Poles, Hungarians on Pollution

OW0208151790 Tokyo KYODO in English 1405 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Japan will invite a group of 20 officials from Poland to offer advice and training on how to combat damage to the environment in that country, the environment agency said Thursday. The invitation, the first to be offered to an East European country, is in line with a promise made by Prime Minister Toshiki Kaifu during his visit to Poland and other European nations last January.

A similar invitation will be offered to Hungarian officials later this year, the agency said. After arriving in Tokyo on August 22, the Polish team, will have lectures on steps being taken in Japan to conserve nature, and the quality of air and water, as well as the treatment of waste during the first half of their five-week training. They will then inspect an iron works mill in Kawasaki, Kanagawa Prefecture, an auto plant in Toyoda, Aichi Prefecture, and the Lake Biwa Research Institute for studies on measures taken to cut exhaust gases and sewage disposal, the agency said.

Poland is now plagued with very serious air and water pollution due to decrepit production facilities and dependence on sulfur-rich brown coal as the mainstay fuel. The rivers are so polluted that only 0.9 percent of river water is available for drinking purposes, and 80 percent is unsuited for agrarian purposes, according to findings of a survey conducted by a Japanese Government mission late last year. A total of 4.2 million tons of sulfur dioxide was discharged and 3.4 million tons of dust was produced across Poland in 1987, the data showed. Discharges of lead, a heavy metal under strict restraints in Japan, totaled 4.5 million tons. In addition, 1.2 million tons of chrome, 2,000 tons of cadmium and 300 tons of mercury were dispatched into the environment, it said.

Bank Grants 'Untied' Loan to Hungary 6 Aug

OW0608121890 Tokyo KYODO in English 1052 GMT 6 Aug 90

[Text] Tokyo, Aug. 6 KYODO—The Export-Import Bank of Japan signed an agreement with the National Bank of Hungary on Monday to provide an untied loan of up to 200 million dollars, bank officials said. This was the bank's first direct loan under a 1,950 million dollar aid package for Hungary and Poland which was pledged by Prime Minister Toshiki Kaifu during his European tour in January. Japan has offered the aid package in cooperation with the World Bank's investment in East European countries. Hungary will use the loan to finance its imports from abroad, the Japanese bank officials said.

Mitsubishi Motors Entering Venezuelan Market

OW0608121990 Tokyo KYODO in English 0829 GMT 6 Aug 90

[Text] Tokyo, Aug. 6 KYODO—In an attempt to make inroads into the almost untapped Venezuelan market, Mitsubishi Motors Corp. and Nissho Iwai Corp. will begin auto production there on a knockdown basis in September under a joint venture with a local company, Mitsubishi officials said Monday. The partnership has already undertaken test production since late July.

Mitsubishi, though having no stake in the Caracas-based tie-up, called MMC Auto Motriz de Venezuela S.A., will provide it with technological assistance in manufacturing of Mitsubishi products, such as the Galant, Delica, and Canter. Annual production is targeted at 3,500 vehicles in 1991 and will be increased to 10,000 vehicles by 1995. A certain percentage of the products will be exported to other central and South American countries such as Chile, Costa Rica, and Dominica from October, the officials said.

Nissho Iwai owns 42 percent of the joint venture, capitalized at 24.5 million dollars, while Consorcio Inversionista Fabril S.A., a Venezuelan holding firm, has a 49 percent stake. The Japan International Development Organization Ltd. (JAIDO), a partnership between the public and private sectors designed to finance development projects in developing nations, is also participating in the project with a 9 percent interest.

Automobile Exports Hit Seven-Year Low

OW2607131990 Tokyo KYODO in English 1137 GMT 26 Jul 90

[Text] Tokyo, July 26 KYODO—Japan's exports of cars, trucks, and buses fell 5.2 percent in the first six months of the year from the same period of 1989 to 2,900,626, the lowest first-half level in seven years, the Japan Automobile Manufacturers Association announced Thursday. The last time that exports in the January-June period fell to such a low level was in 1983 when exports totaled 2,873,636 vehicles, it said. The slump in exports was the eighth consecutive six-month decline, the association said.

Japanese automakers' full-scale production in the United States, a major auto importer, has sharply reduced the number of domestically produced car exports to that country, it said. Auto exports bound for the United States in 1990 will fall far below last year's level of 1,955,474 vehicles, industry analysts predicted. Japanese automakers are calling for a halt to so-called voluntary restraints on exports to the United States in view of the decline, they said.

During the first half of the year, car exports declined 1.4 percent to 2,237,316 vehicles. Truck exports fell 16.6 percent to 643,932, while exports of buses rose 13.0 percent to 19,378. Overall exports to the United States fell 15.6 percent to 1,503,589 vehicles, narrowing Japanese makers' market share to 36.3 percent from 40.7 percent in the first half of 1989. Car exports to the United States declined 10.6 percent to 874,228. The association also reported that exports in June rose 4.1 percent from the same period of 1989 to 490,506 vehicles.

Rice Issue Expected To Remain on GATT Agenda

OW0408042490 Tokyo KYODO in English 0818 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—A high-ranking Japanese Government official on Friday indicated the rice issue will remain on the negotiating table after the December deadline of the current Uruguay Round of multilateral trade talks, saying it is highly unlikely that there will be any comprehensive agreement on agriculture by then. "It's quite a tough task to come up with a comprehensive accord by the December deadline," the official of the Ministry of Agriculture, Forestry, and Fisheries said. "And in the case of a failure of such an agreement, the rice will remain on the GATT (General Agreement on Tariffs and Trade) negotiation table, and will not be tackled within a bilateral framework," the official, who spoke on condition of anonymity, said.

His remarks came as a rebuff to speculation that if the farm negotiations under the GATT break down, Japan will be forced to have bilateral talks with the United States to solve the rice issue. The official also slammed the argument being voiced both in the ruling Liberal Democratic Party and the opposition camp that Japan should partly open its rice market to secure the success of the Uruguay Round. "I don't see the point at all in the argument that we cannot make the Uruguay Round succeed without making concessions on the rice issue," he said.

"In the first place, the partial liberalization would not satisfy the U.S., which demands nothing less than a total opening of the market," he said. "Our talking about 5 percent or 10 percent (opening of the market) is just playing into the U.S. hands," he said. Referring to a recent request by U.S. Secretary of Agriculture Clayton

Yeutter, the official said, "What Yeutter means by requesting Japan should consider introduction of tariffs on rice is an eventual complete liberalization of the rice market." "And there is no doubt that would be devastating to Japanese farmers," he added. Yeutter asked Japanese Agriculture, Forestry, and Fisheries Minister Tomio Yamamoto at a conference of agriculture ministers in Ireland to review Japan's virtual ban on rice imports, suggesting Japan instead impose tariffs on rice imports of around 700 percent.

His request came in line with the U.S. proposal for a so-called "tariffication" scheme, in which all current nontariff barriers in agricultural trade should be calculated in terms of tariffs in the first year of liberalization and that tariff rates should drop to zero within 10 years. "I don't think the U.S. tariffication idea will prevail in the Uruguay Round," the official said. "Rather, the final agreement will likely be more in line with the EC's position," he added, referring to the European Community's proposal to accept the tariffication scheme on three conditions to limit the possible damage to domestic farm industries.

JETRO To Send Advisors To Promote Exports

OW0108122690 Tokyo KYODO in English 1143 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—The Japan External Trade Organization (JETRO) said Wednesday it will dispatch 25 advisers to 11 countries from late August to help promote exports to Japan. The semigovernmental organization said the 11 countries include the United States, Canada, and Australia, as well as European countries. The advisers will stay abroad for one year, giving advice on promotion of exports to Japan and looking for promising export items. JETRO said 16 employees of Japanese corporations, including Matsushita Electric Industrial Company and Mitsubishi Corporation, have already been recruited as advisers. The nine others will be selected later this year, it said.

Government To Study Ways of Boosting Imports

OW0708052990 Tokyo KYODO in English 0447 GMT 7 Aug 90

[Text] Tokyo, Aug. 7 KYODO—The government decided Tuesday to set up a working panel to study ways of boosting imports so as to slash the nation's trade surplus, officials said. The decision, reaffirming Japan's commitment to expand imports, came in a meeting of Prime Minister Toshiki Kaifu and other ministers in charge of trade matters following Tokyo's pledge made in the Structural Impediments Initiative (SII) talks with the United States, they said.

Japanese and U.S. negotiators concluded the one-year SII talks in June, with Japan promising to take a set of measures to give greater foreign access to Japan's markets. The 30-member panel, to consist of 10 government officials and similar numbers of Japanese and foreign business executives, will meet about twice a year to discuss how to expand import growth, the officials said. The first meeting of the panel will be held around this fall. Kaifu said he hopes the new panel will serve to improve foreign access to Japan's markets.

On other topics, Kaifu reportedly appealed for support from ministers to help ensure a successful conclusion to the Uruguay Round of multilateral trade talks being held under the General Agreement on Tariffs and Trade. "It's very important to do our best to make the multilateral trade negotiations a success," Kaifu said, referring to the 105-nation trade negotiations which are due for completion in December. Touching on Japan's decision Sunday to impose economic sanctions against Iraq for its invasion of Kuwait, Kaifu said the step was taken out of consideration of Japan's role in the international community.

EPA: Economic Boom Shows No Signs of Abating

OW3107080190 Tokyo KYODO in English 0643 GMT 31 Jul 90

[Text] Tokyo, July 31 KYODO—Japan's brisk economic activity shows no signs of abating and now looks set to overtake the record 57-month-long spell of uninterrupted growth, according to a government forecast released Tuesday. The Economic Planning Agency said the country's index of leading economic indicators in May, the latest reporting month, turned up again to stand at 63.6, up from 54.5 in April and far above the so-called 'boom-or-bust' line of 50.

The agency considers a reading above 50 as indicating continuing economic expansion in the months ahead. Agency officials, assessing the data, noted there are few signs of a slackening of the pace of the current spell of growth.

Japan has maintained robust economic growth for 44 months in a row through July without any signs of a slowdown. The officials predicted the 13 components of the leading index might turn lower from the May level in June but they said that does not suggest a downturn in the economy. The agency also announced the 11 elements of the coincident index, which reflects the present state of the economy, showed a figure of 100, up from 80 in April and the highest number in two and three months. The lagging index, which gauges the economy's recent performance, stood at 78.6 in May, down from the previous month's 100 but far above of the critical line of 50, the agency said.

Current Account Surplus Up 12.2 Percent in Jun

OW0408042290 Tokyo KYODO in English 0908 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—Japan's current account surplus widened 12.2 percent in June from a year earlier, expanding for the second time in 14 months, the Finance Ministry said in a preliminary report Friday. Ministry

officials said it was too early to say whether the trend toward reduced surpluses had reversed, but analysts said the June expansion signaled an end to declining current account and trade surpluses. The current account, the broadest measure of trade in goods and services plus certain unilateral transfers, widened to 4,782 million dollars from 4,263 million dollars in June 1989.

The rise comes after a year-on-year decline of 57.5 percent in may, when the surplus stood at 1,461 million dollars. The last time the current account surplus rose was in March, when it snapped a string of 12 consecutive monthly declines. After seasonal adjustments, the June surplus stood at 3,803 million dollars, unchanged from the corresponding period last year, but up 78.9 percent from the 2,126 million dollars posted in May. Measured on a balance of payments basis, the merchandise trade surplus for June rose 8.0 percent from a year earlier to 7,054 million dollars on an unadjusted basis.

After seasonal adjustments, the merchandise trade surplus in June fell to 6,381 million dollars from the 6,447 million dollars posted for the same month last year. Ministry officials attributed the expansion in the current account surpluses to stepped-up exports and a decrease in the value of oil imports. The ministry announces two sets of merchandise trade figures for each month—one measured on a customs cleared basis and the other tallied when contracts are settled. The latest trade data is based on the latter formula. On a customs clearance basis, the surplus widened 27.6 percent to an unadjusted 6,721 million dollars in June from 5,266 million dollars in the same month last year.

Exports posted a rise for the first time in nine months, increasing 3.3 percent to 23,106 million dollars, compared with 22,369 million dollars in June 1989. Imports rose to 16,052 million dollars, up 1.4 percent from the 15,835 million dollars posted a year earlier. On a seasonally adjusted basis, exports rose 6.0 percent from 21,485 million dollars in May to 22,770 million dollars, while imports fell 9.9 percent to 16,389 million dollars from 18,191 million dollars. The ministry also released figures for the first half of 1990.

The current account surplus for the first half of the year dropped 32.3 percent to 20,550 million dollars from the same period a year ago. The merchandise trade surplus also fell during the January-June period, declining 31.7 percent to 28,086 million dollars. During the first half of 1990, the balance of invisible trade was in the red by 5,723 million dollars, shrinking 32.6 percent from the same period last year. The invisible trade balance, part of the current account, covers flows of funds relating to shipping, tourism, insurance, and financial and commodities services.

Ministry officials said the rise in the current account surplus in June was partly due to irregular factors and should not be considered a sign of ballooning surpluses. They said the drop in crude oil prices during June lowered the overall value of imports for the month. Normally, the high value of oil imports contributes greatly to increases in overall imports, thus helping to slash the nation's surpluses, they said. Although the volume of crude oil imports jumped 10.9 percent in June, the value of such imports dropped 0.2 percent from the same period last year.

The expansion in the current account surplus was also aided by a 13.5 drop in the value of lumber imports and brisk exports of automobiles and ships. Exports of ships grew a whopping 107.2 percent, while auto shipments rose 7.8 percent. Slumping steel and microchip exports could not offset the jump in the value of auto and ship exports, they said.

In June, the balance of invisible trade was in the red by 2,105 million dollars on an unadjusted basis, widening from the deficit of 2,073 million dollars a year before. The fall was due chiefly to a huge rise in the number of Japanese traveling abroad, officials said. The tourist account within the balance of invisible trade posted its second-highest deficit ever of 1,817 million dollars in June. The largest deficit was recorded in August of last year, when the account sank into the red by 1,956 million dollars.

The transfer account, also included in the current account, remained in the red by 167 million dollars, down from 198 million dollars registered during the corresponding period last year. The chronic deficit on the balance of long-term capital flows stood at 7,821 million dollars, up sharply from 1,922 million dollars a year ago. Officials said the rise resulted from huge flows of Japanese capital abroad. The errors and omissions account showed a surplus of 161 million dollars, a reversal from a deficit of 384 million dollars a year earlier. Japan's overall balance of payments, which gauges all flows of money in and out of the country, was in surplus by 3,008 million dollars compared with an 8,808 million dollar surplus a year earlier.

Poll Shows 60 Percent Approval of Kaifu Cabinet

OW0208015790 Tokyo KYODO in English 0029 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Prime Minister Toshiki Kaifu's cabinet received a public approval rating of 60 percent in July, nearly double the support it received when Kaifu came to power in August a year ago, a YOMIURI SHIMBUN newspaper poll said Thursday. The rating was up from an initial 38.0 percent in August 1989, 44.9 percent in November 1989, 56.1 percent last April, and 56.4 percent in the last survey in June, the YOMIURI said.

By contrast, the disapproval rating declined to 22.8 percent in July from 26.6 percent in June. A KYODO NEWS SERVICE poll in June put the public approval rating for the Kaifu cabinet at 63.0 percent. Kaifu has scored high marks from Japanese voters for his overall leadership, political ideology and also for his foreign policy initiatives, said the YOMIURI, Japan's largest

mass-circulation newspaper. The YOMIURI survey said 68.9 percent appreciated Kaifu's foreign policy compared to 21.6 percent, who replied negatively.

A series of foreign policy performances in the past year contributed much to push up the rating, YOMIURI analysts said. Among recent events were the Houston summit of seven major economic powers and the Japan visit by South Korean President No Tae-u in May. However, an overwheming majority of voters, 72.8 percent, said they are unhappy that the Kaifu cabinet's land policy has failed to curb soaring land prices, while 61.8 percent said they do not like its tax policies. The YOMIURI surveyed 3,000 of Japan's 90 million voters on July 14-15. Of 2,113 voters responding, 46 percent were men and 54 percent were women, the paper said.

Further on YOMIURI Poll

OW0208044690 Tokyo KYODO in English 0236 GMT 2 Aug 90

[Excerpt] Tokyo, Aug. 2 KYODO—Prime Minister Toshiki Kaifu's cabinet has scored high marks from Japanese voters for his overall leadership, political ideology and also for his foreign policy initiatives, a YOMIURI SHIMBUN newspaper poll said Thursday. The YOMIURI, Japan's largest mass-circulation newspaper, ran an analysis of the results of its July 14-15 public opinion survey that said 59 percent of those polled endorse the Kaifu cabinet's policies while 34 percent do not.

The newspaper poll said 49.5 percent of those polled said Kaifu excels in leadership, compared to 42.8 percent who disagreed. Asked about Kaifu's political ideology, 60.0 percent said they support it and 28.2 percent said they do not. It also said that 62.1 percent think Kaifu has an excellent grasp of international affairs, compared with 27.6 percent who said they think otherwise. The YOMIURI survey also said that 68.9 percent appreciated Kaifu's foreign policy compared to 21.6 percent. [passage omitted]

Defense Planning Programs May Be Shortened

OW0408042190 Tokyo KYODO in English 1009 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—The Japanese Government may abbreviate its next defense, forthcoming in fiscal 1991, to a three-year program from the previous five-year plans, government sources said Friday. The proposal to shift to a three-year interval reflects the general relaxation of tensions throughout the world and Asia, as well as the desire to cut back militarily in Japan, the sources suggested.

There is also an aim to impart the impression that military spending is being restrained since the three-year plan's budget would amount to about 13.5 trillion yen as compared to approximately 23.4 trillion yen for the five-year plan, the source added. Defense Agency officials have persisted in maintaining the five- year outline, saying that the fixed period was necessary to make reasonable plans. Former Finance Minister Kiichi Miyazawa, however, suggested that five years may be too long a period and proposed that it be shortened. Defense authorities and government officials have since been considering the merits of the five-year and three-year plans. If the three-year proposal is adopted in 1991, it may be up for reconsideration in 1994, the sources indicated. The government offered its only three-year defense outline in 1958.

Government Plans To Curb 'Keiretsu' System

OW0408041990 Tokyo KYODO in English 1231 GMT 3 Aug 90

[Text] Tokyo, Aug. 3 KYODO—The government plans to take a wide range of measures to ensure that "keiretsu," or interlocking relations between companies, do not give rise to anticompetitive practices, Chief Cabinet Secretary Misoji Sakamoto said Friday. Sakamoto, the chief government spokesman, issued a statement calling for the "understanding and cooperation" of companies concerned. The statement said there are "certain aspects of economic rationality" in Keiretsu relationships, such as encouraging efficient business activities through stable transactions and encouraging long-term corporate management.

But it said the government will be concerned if they promote preferential group trade and give rise to anticompetitive business practices. It said, "the Government of Japan will implement a wide range of measures so that business transactions among companies with the background of keiretsu relationships will not hinder fair competition and transparent transactions and that the entry of foreign firms into the Japanese market will be facilitated." The statement was issued in line with the government's pledge to the United States to issue an official notice against Keiretsu, which the U.S. cited as one of the major causes behind the huge external imbalances in trade between the two nations. Japan was asked to take the action when the two countries agreed on broad-based measures to reduce barriers to trade and investment in the Structural Impediments Initiative (SII) talks.

Kaifu Worried About Declining Birthrate

OW0408041890 Tokyo KYODO in English 1248 GMT 3 Aug 90

[Text] Karuizawa, Nagano Pref., Aug. 3 KYODO—Japanese Prime Minister Toshiki Kaifu warned Friday that the nation's declining birthrate would lead to inflation and shortages of workers, and pledged to put countermeasures in place within a decade. "We can't leave this problem to the 21st century," Kaifu said, pointing to Japan's increasing number of elderly citizens. The government is concerned that a shortage of young people and a growing number of seniors requiring more services will overburden the nation's welfare system.

In June the government reported the average Japanese woman had 1.57 children as of 1989, down from the previous all-time low of 1.58 in 1966. Meanwhile, the population of citizens over age 65, now 11 percent of society, is expected to double by the 21st century. Kaifu, who will soon authorize a special committee to draw up countermeasures, said policies restricting foreign workers should also be taken into consideration. He did not elaborate. Japan has recently loosened regulations on foreigners engaged in jobs that require special skills. However, it continues to shun foreigners who arrive to work in construction and other labor-intensive areas, where the labor pinch is greatest.

Kaifu Attends Ceremony Marking Bomb Anniversary

OW0608044690 Tokyo KYODO in English 0335 GMT 6 Aug 90

[Text] Hiroshima, Aug. 6 KYODO—Prime Minister Toshiki Kaifu led the nation in observing the 45th anniversary of the atomic bombing of Hiroshima by participating in a solemn memorial ceremony here attended by over 55,000 people. Among those attending the memorial service at the Peace Memorial Park in central Hiroshima were survivors of the blast, known as "hibakusha" in Japan, other government officials, and foreign dignitaries. The service began at 7:58 A.M. when the names of 10,175 people who died this past year of atomic bomb-related illnesses were added to the death rolls at the memorial monument within the park, bringing the total number of those confirmed to have died to 167,243.

Hibakusha, surviving family members, and foreign guests laid floral wreaths at the memorial before the tolling of the peace bell and a minute of silence at 8:15 A.M., marking the moment the atomic bomb exploded over the city on August 6, 1945. In a peace declaration read after the silent player, Hiroshima Mayor Takeshi Araki expressed the conviction that such evil never be repeated, noting that cold war tensions look destined to end, as indicated by the recent razing of the Berlin Wall, the symbol of East-West discord. Araki also called on the Japanese Government to adopt the three nonnuclear principles and to enact a new law pledging aid to "hibakusha" in Hiroshima and Nagasaki, including foreign victims.

Successive Japanese Governments since World War II have pledged not to produce, possess or introduce nuclear weapons—the so- called "three nonnuclear principles." Just after Araki's speech, thousands of doves were released and swooped over the park, which is located just under the hypocenter of the bombing. In a speech that followed, Prime Minister Kaifu applauded the people of Hiroshima for their devoted efforts in rebuilding the city, and vowed to endeavor to extend relief to atomic bomb sufferers.

He also pledged to maintain the three nonnuclear principles and to strive, as the leader of the only country ever to have suffered an atomic attack, to work for the complete elimination of nuclear weapons. Kaifu is to attend a similar memorial service in Nagasaki on Thursday, August 9, thus becoming the first Japanese prime minister to attend peace ceremonies in both Hiroshima and Nagasaki since late Prime Minister Takeo Miki did in 1976. Mourners included for the first time two Soviet radiation victims living near the Semipalatinsk nuclear test site in the Kazakhstan region of Central Asia, and 11 other members of the Nevada-Semipalatinsk Movement (NSM), a Soviet grass roots antinuclear group.

Among the foreign guests were Yuriy V. Chekov, municipal assembly chairman of Hiroshima's sister city of Volgograd in the Soviet Union, U.S. writer Eleanor Coerr, Swedish disarmament committee chairwoman Maj. Britt Theurin, and representatives from China and West Germany. A North Korean victim of the nuclear attack on Hiroshima also attended the ceremony as a member of a North Korean delegation. He is believed to be the first victim of the bombing to return from North Korea. The ceremony ended at 8:45 A.M. with children singing a Hiroshima peace song. Prior to the ceremony, some mourners offered consecrated water from 16 spots around the city in memory of the more than 200,000 people estimated to have died, either in the blast or afterwards from injuries and illnesses caused by the atomic bomb. The water ritual is performed to console the souls of those who died in agony seeking water to quench the thirst caused by massive burns.

DPRK A-Bomb Survivor To Join Antibomb Rally

OW0208140790 Tokyo KYODO in English 1234 GMT 2 Aug 90

[Text] Hiroshima, Aug. 2 KYODO—A North Korean survivor from the atomic bombing of Hiroshima will participate in this year's ban-the-bomb rally here, the first North Korean national to do so. Kang Pyong-tae, 59, a catering worker in Pyongyang, met the press upon arrival in the city on Thursday. Kang sustained injuries to his left leg and damage to his skin from exposure to the atomic bomb dropped on Hiroshima on August 6, 1945, and has suffered headaches ever since.

There is no medical institution specializing in treatment of nuclear-related ailments in North Korea, although there are several patients in the neighborhood of his home in Pyongyang, he said. However, the a-bomb victims have almost recovered after treatment which includes medication using ginseng (a Chinese herb indigenous to the Korean peninsula), he said. Kang is to attend the 45th world ban-the-bomb rally opening in the city Friday under the sponsorship of the World Congress Against the Atomic Bomb and Hydrogen Bomb backed by the Japan Socialist Party (JSP).

Antinuclear Conference Ends in Hiroshima

OW0608102290 Tokyo KYODO in English 0534 GMT 6 Aug 90

[Text] Hiroshima, Aug. 6 KYODO—An antinuclear group affiliated with the Japan Socialist Party (JSP) closed a four-day international conference in Hiroshima on Monday with a pledge of solidarity with radiation victims across the world. Some 40 representatives from 14 countries were among the participants in the annual event organized by the Japan Congress Against Atomic and Hydrogen Bombs, or Gensuikin. At the Gensuikin meeting, participants called on the Japanese Government to enact a new law to aid atomic bomb survivors, including Korean victims, and to make a clear apology to other Asian peoples for Japan's conduct in the region before and during World War II.

They also decided to promote a campaign aimed at helping Soviet radiation victims affected by the Chernobyl nuclear power plant disaster in 1986, as well as the victims living near the Semipalatinsk nuclear test site. They will move to Nagasaki on Tuesday to take part in a similar two-day conference there beginning Wednesday. Nagasaki was devastated by an atomic blast on August 9, 1945, three days after an atomic bomb was dropped on Hiroshima. The split in Japan's antinuclear movement continued for a fifth year this year, with Gensuikin holding its conference in Hiroshima separately from one organized by the Japan Communist Party-backed Japan Council Against Atomic and Hydrogen Bombs, or Gensuikyo. Gensuikyo will also end its three-day conference in Hiroshima later Monday. Participants in the Gensuikyo conference will also move to Nagasaki on Tuesday.

Peace Protesters Encircle U.S. Air Base

OW0508105790 Tokyo KYODO in English 1001 GMT 5 Aug 90

[Text] Naha, Aug. 5 KYODO—An estimated 26,000 peace protesters encircled the American Air Force base at Kadena in central Okinawa with a "human chain" Sunday, calling for international peace and a return of the base site to the Japanese. The protesters from Okinawa and throughout the nation, organized by a three-year-old local citizens' group, linked up three times to form a 17.4-kilometer chain around the base, alternately tying red, green, and yellow neckerchiefs to the fence enclosing the 2,000-hectare facility.

Coming on the eve of the 45th anniversary of the atomic bombing of Hiroshima in World War II, it was the second "human chain" protest at Kadena following a similar rally on June 21. Seitoku Koja, the spokesman for the organizers, said, "from Okinawa, this small island in the orient, we send a message [of] solidarity to the people of the world." The "human chain" protest, which has received a strong impetus from the easing of Cold War tensions throughout the world, has inspired similar groups in Japan. One group plans to encircle the American Air Force base at Yokota, on the western outskirts of Tokyo, on October 21.

Finance Official on Maintaining Tight Budget

OW0108134690 Tokyo KYODO in English 1306 GMT 1 Aug 90

[Text] Nagoya, Aug. 1 KYODO—Vice Finance Minister Masami Kogayu indicated Wednesday that the ministry will continue a tight budgetary policy in the next fiscal year in order to prevent the economy from overheating. Kogayu, in Nagoya for discussions with local business leaders, told a press conference that the Japanese economy is too brisk for the ministry "to risk stepping on the accelerator" by increasing expenditures. The remark was in response to a question about the budget for the year beginning next April 1, in which a big increase is expected in public spending in line with an agreement in late June at bilateral trade talks between Japan and the United States.

He stressed that the ministry plans to limit public works investment to a level which will not lead to increased inflationary pressures. Pressed about local calls for a new international airport in Nagoya, Kogayu was cautious and called on business circles in the region to reconsider whether the region really needs such an airport.

Correction to Kaifu Accepting Election Reform

OW3107143690

[Text] The following correction pertains to the item headlined "Kaifu Accepts Call for Upper House Election Reform," published in the 31 July East Asia DAILY REPORT, page 17:

Column two, second full paragraph, from first sentence, make read: The council, following a full year of discussions, proposed revising the proportional representation part of the voting system for the upper house so that voters can either choose individual candidates or vote for political parties. The current system only allows them to vote for political parties. The advisory group.... (rewording per KYODO correction)

Correction to Further on Assets, Sanctions

OW0308151890

[Text] The following correction pertains to the item headlined "Further on Assets, Sanctions," published in the 3 August East Asia DAILY REPORT, page 3:

Page 4, column one, paragraph three, from first sentence, make read: ...stopping all trade.

Under two bilateral agreements in 1974 and 1977, Japan committed to Iraq some 592 billion yen in export credits and official development assistance (ODA) loans, of which 186 billion yen was disbursed between September 1975 and August 1985.

But Iraq's subsequent suspension of interest payments on its massive yen-denominated debt to Japan amid the outbreak of war with neighboring Iran led Japan to freeze its bankrolling of Iraqi projects.

Iraq's debt to Japan, which is mostly private, is estimated to stand at between 500 and 600 billion yen.

Iraq and Japan settled their accounts last February, which made Iraq eligible to receive the remaining 405 billion yen in loans pledged by Tokyo, including 388 billion yen in export credits and 17 billion yen in ODA loans.

Regarding the possible....(rewording and adding new paragraphs)

North Korea

Reportage on Rally Preparations Continues

South Meeting on Rally Denounced

SK0508085190 Pyongyang KCNA in English 0814 GMT 5 Aug 90

["Absolute Baloney To Bar Chonminnyon and Chondaehyop From Participating in Pan-National Rally"—KCNA headline]

[Text] Pyongyang August 5 (KCNA)—The "Democratic Liberal Party" group including Kim Yong-sam held a "party caucus meeting" on August 3 and ridiculously talked about qualifications for participation in the August 15 pan- national rally, asserting that the "Coalition for National Democratic Movement" (Chonminnyon) and the "National Council of Student Representatives" (Chondaehyop) have no power of representation, according to a report.

This is an anti-democratic, anti-popular act of ignoring the existence of Chonminnyon and Chondaehyop and it provokes resentment of broad students and people.

Chonminnyon which was formed in January last year is a most massive coalition for democracy embracing regional organizations and individual organizations of workers, peasants, educationists, women and others in different parts of South Korea including Seoul, more than 260 all told, and it has taken the lead in the struggle of broad sections of people for independence, democracy and reunification.

Chondaehyop also has always played the honorable role of vanguard in the struggle for independence, democracy and reunification as an organization representing one million students in South Korea.

This notwithstanding, the puppet clique spat out a string of balderdash that could convince nobody in an effort to block the way of Chonminnyon and Chondaehyop to North at any cost and foil the national festival for reunification by thrusting even "government"-controlled organizations into the August 15 pan-national rally.

The No Tae-u group must stop barring Chonminnyon and Chondaehyop from participating in the pan-national rally and give up its insidious attempts to foil the rally by using its anti-communist bogus organizations under the signboard of "all strata participation."

'No Room for Separatist Forces'

SK0508085990 Pyongyang KCNA in English 0844 GMT 5 Aug 90

["'All Strata Doctrine' Is Aimed at Foiling Pan-National Rally"—KCNA headline]

[Text] Pyongyang August 5 (KCNA)—The participation of "all social strata" argued for by the South Korean authorities while branding Chonminnyon [National Democratic Alliance of Korea] as a "handpicked organization" is not aimed at progress and success in non-governmental dialogue but at foiling it. In other words, it is motivated by a sinister intention to meddle in other's feast and upturn the table, NODONG SINMUN stresses in a by-lined article today.

The article says:

The South Korean authorities argue that "people from all social strata" in South Korea should participate in the pan-national rally because the North intends to allow the participation of an organization handpicked by it." This is, however, no more than a sophism to conceal their criminal color in blocking non-governmental contact and dialogue.

As for Chonminnyon which the South Korean authorities claim was "handpicked by the North," it is a political united front and organization for the nation, democracy and reunification which embraces more than 200 mass organizations in South Korea representing the will of people in all social strata including workers, peasants, students, intellectuals and religionists. Can there be any other social strata?

The 58 organizations such as the "General Federation for Liberty," "Council for National Reunification" and "committee for Promotion of the Family Reunion of Ten Million Separated People" which the South Korean authorities describe as "all social strata" are all anti-communist, anti-reunification organizations under government control which are composed of philistines and political gangsters who have played the role of tools for the dictators and separatists.

In view of their past records, they have long been deprived of the right to share the seat with pro-reunification patriotic forces. It is also these organizations that have doggedly opposed the pan-national rally, obstructed the North-South student talks and Chondaehyop's [National Council of University Student Representatives] participation in the Pyongyang festival and

vilified the visit of reunification messengers to the Northern half of the country, playing the role of shock force of the authorities.

The key problem is that they have not taken the pro-reunification position while claiming that they want to participate in the national rally for reunification.

It is because the South Korean authorities are afraid of the meeting of people from all social strata in the North and the South, the subject of reunification, that they block non-governmental contact and dialogue between the North and the South with "all strata doctrine". This shows that they have not yet abandoned the dogmatic way of thinking, for example, the "unified channel of dialogue" aimed at closing the door.

The facts fully prove that their talk about "opening," "free travel" and "grand inter-Korean exchanges of people" is no more than a propaganda to deceive public opinion at home and abroad and that they have no intention to solve the reunification question in conformity with the will of the nation.

The South Korean authorities must clearly know that the pan-national rally has no room for separatist forces and must not block the Chonminnyon delegates from visiting the North.

Comment on U.S. Paper's Article

SK0608155490 Pyongyang KCNA in English 1508 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The U.S. paper ASIAN WALL STREET JOURNAL on July 30 carried an article denouncing the No Tae-u puppet clique's scheme to frustrate the pan-national rally.

Recalling the talk of the No Tae-u puppet clique that if the "participation of all strata" of South Korea in the August 15 pan-national rally and the Pyongyang preliminary contact is refused, the Coalition for National Democratic Movement (chonminnyon) and others will not be allowed to take part in it, the article said this stand of the South Korean "Government" is now understood in Seoul as meaning that all anti-communist groups of South Korea should be involved in the Pyongyang preliminary contact and the pan-national rally without fail.

The article noted that foreign analysts view this as one seeking to foil the pan-national rally itself.

The article predicted that in the future, the aspirations of reunification will grow more ardent among the South Korean people and a heavier pressure will be put on the No Tae-u "regime" to show signs of progress in the north-south relations.

Delegation Expresses 'Regret'

SK0608061190 Pyongyang KCNA in English 0558 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The delegation of the overseas promotion headquarters which has come here to participate in the third preliminary contact for the preparation of the pan-national rally made public a statement on August 5 concerning the fact that the gist of "On the content and venue of the August 14-17 pan-national rally," a proposal which was notified to the overseas and North side's preparatory committees by Cho Song-u, chief secretary of the south side's promotion headquarters of the pan-national rally, has been reported as an official decision by news media.

The statement "expressed regret at the fact that the gist of the proposal of the South side's promotion headquarters of the pan-national rally has been reported as a decision by news media.

It declared:

1. Our delegation gives the first consideration to the points of agreement reached at the first and second working talks.

2. We think it proper to confirm and make public the final programme date of the function agreement of the three parties (overseas promotion headquarters, South side promotion headquarters and the North side's preparatory committee of the pan-national rally) at the third working talks.

3. Considering press announcement in the southern part of the country to be far removed from the true content of the actual process, we will officially notify the points of official agreement on it to all areas immediately after the closure of the third working talks.

4. We hope that the delegation of the South side will not fail to participate in the third working talks. In case its participation is impossible for an unavoidable reason, the overseas delegation will attend the talks, representing the will of the South side's delegation as agreed upon at the second working talks.

Chinese-Koreans Arrive 5 Aug

SK0608060590 Pyongyang KCNA in English 0554 GMT 6 Aug 90

[Text) Pyongyang August 6 (KCNA)—Choe Yong-hui and Choe Un-pok, delegates of the Chinese preparatory committee, arrived here Sunday to participate in the third preliminary contact for the preparation of the Pan-National Rally for Peace and Reunification of the Country.

The delegates were warmly met by vice-chairman of the North side's preparatory committee of the pan-national rally Chon Kum-chol and personages concerned and a large crowd with feelings of kinship.

They were also met by general secretary of the overseas promotion headquarters Im Min-sik, who had come earlier at the head of a delegation to the headquarters to participate in the contact.

Giving her impressions of arrival in Pyongyang, delegate Choe Yong-hui said that Koreans residing in China are making efforts with a single heart and purpose to bring the pan-national rally to a success.

The No Tae-u group is blocking delegates of the Coalition for the National Democratic Movement (Chonminnyon) from coming to Pyongyang, she said, and added: We Koreans in China, hope that efforts will be pooled to repel it and the pan-national rally be held successfully and victoriously without fail and national reunification be realized at an early date.

North's Committee Members Arrive

SK0608020090 Pyongyang Domestic Service in Korean 0047 GMT 6 Aug 90

[Text] According to a report by reporter Kim Yong-sung from Panmunjom, the members of the North side's preparatory committee for the pan-national rally have just arrived in Panmunjom to greet the delegates of the South side's promotion headquarters who will participate in the third round of preliminary contacts to be held in Pyongyang today.

Yo Yon-ku, chairman of the Central Committee of the Democratic Front for the Reunification of the Fatherland; Kim Yong-ho, vice chairman of the Central Committee of the Korean Social Democratic Party; and Han Yong-su, vice chairman of the Central Committee of the Chondoist Chongu Party, all of whom are vice chairmen of the North side's preparatory committee for the pan-national rally; Choe Hyon-tok, chairman of the Korean Students Committee and a member of the North side's preparatory committee, have arrived in Panmunjom with the relatives of Rev. Mun Ik-hwan and the youth and students who spent about 40 days with coed Yim Su-kyong around the time of the 13th World Festival of Youth and Students.

Also on hand were Kim Ki-son, chairman of the Kaesong Municipal People's Committee; Han Kwang-nim, chairman of the Kaesong Municipal Administrative and Economic Guidance Committee; and other functionaries of local party and government organizations, administrative and economic organizations, and working people's organizations.

Also crowding Panmunjom are the welcoming group consisting of some 200 persons who came from Pyongyang and Kaesong.

Many reporters are present in Panmunjom to give an extensive report to people at home and abroad on the historic moment of the crossing of the demarcation line by the delegates of the South side's promotion headquarters for the pan-national rally.

People Wait for South Delegates

SK0608053590 Pyongyang KCNA in English 0528 GMT 6 Aug 90

[Text] Panmunjom August 6 (KCNA)—Members of the North side's preparatory committee for the pan-national rally arrived at Panmunjom this morning to greet the delegates of the south side's promotion headquarters to the third preliminary contact to be held in Pyongyang.

They included Yo Yon-ku, presidium member of the C.C., the Democratic Front for the Reunification of the Fatherland and vice-chairwoman of the North side's preparatory committee for the pan-national rally, Kim Yong-ho, vice-chairman of the C.C., the Korean Social Democratic Party, Choe Hyon-tok, chairman of the Korean Students Committee, relatives of the Rev. Mun Ik-hwan and students who spent some 40 days with woman student Yim Su-kyong around the Pyongyang festival.

Kim Ki-son, chairman of the Kaesong Municipal People's Committee, Han Kwang-nim, chairman of the Kaesong Municipal Administration and Economic Guidance Committee, Pak Yong-ha, chairman of the Kaesong Municipal Committee of the League of Socialist Working Youth of Korea, and other senior officials of local party and government organs and working people's organizations also came to Panmunjom to greet and welcome the delegates of the South side with fraternal feelings. The yard of Panmunjom is crowded with 200 welcomers from Pyongyang and Kaesong.

Many reporters also came to Panmunjom to report at home and abroad the historic moment the delegates of the South side's promotion headquarters for the pan-national rally would cross the line of division.

Panmunjom is decorated in a welcome attire and filled with a welcome atmosphere.

The delegates of the South side have not yet arrived here due to the obstructions of the South Korean rulers.

The members of the North side's preparatory committee for the pan-national rally and working people and students in Kaesong are still waiting in front of the Panmun House for the delegates of the South side, although the appointed time has passed.

A meeting was held here to condemn the criminal acts of the South Korean fascist clique.

At the end of the meeting the crowd staged a demonstration, singing songs carrying the desire for reunification including "Korea is one" and "Our wish is reunification".

Hopes Said Dashed at Panmunjom

SK0608114790 Pyongyang KCNA in English 1056 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The delegates of the South side's promotion headquarters who left Seoul

today to come to Pyongyang through Panmunjom to participate in the third preliminary contact for the pan-national rally for peace and reunification of the country could not come due to the obstructions of the South Korean rulers.

The hope for a meeting of three parties from the North and the South and overseas was again dashed as the South Korean fascist authorities resorted to a repression by bayonet.

Members of the North side's preparatory committee for the pan-national rally, officials concerned and large numbers of working people and students in Kaesong went to Panmunjom which was decorated in a welcome attire and overflowing with a welcome atmosphere.

The welcoming crowd of our side gazed at the area South of the demarcation line, waiting for the delegates of the South side who were to come from Seoul.

Although the appointed time had passed long before, the South side's delegates were not in sight.

At 7:30 in the morning, our side had asked for a meeting with working officials of the South side through the hot line at Panmunjom, but they refused to receive the call.

Our side proposed contact five times, but the working officials of the South side refused the contact to the last.

At nine in the morning, our side through the hot line at Panmunjom urged working delegates of the South side to receive a note of guarantee for personal safety signed by our authorities, but the liaison officials of the South side refused to receive it.

Meanwhile, radio reports from Seoul said that the South Korean authorities issued an order for intensified search and checkup everywhere to bar the delegates of the South side's promotion headquarters from coming to Panmunjom and totally block students from heading for the Imjin house to see them off, with the mobilization of 5,000 police.

This was indicative of ill-boding moves in South Korea.

Our side again rang up the South Korean side through the hot line to know whether the delegates of the South Korean promotion headquarters left Seoul or not and what time they were expected to arrive. The latter, however, refused to answer the question, saying it could not tell that.

It was far past eleven, yet the delegates failed to show up in Panmunjom.

Disappointment and resentment began to float over Panmunjom.

A meeting was held there to denounce the South Korean fascist clique's criminal act.

Yo Yon-ku, vice-chairman of the North side's preparatory committee for the pan-national rally, angrily said it was because of the obstructions of the South Korean rulers who did not like to see people in the North and the South aspiring after national reunification meeting with each other that today's meeting has failed.

Noting that by blocking the South side's delegates from participating in this preliminary contact the South Korean rulers revealed of their own accord that their clamorous talk about "grand inter-Korean exchanges of people" and "free travel" was a crafty trick to deceive public opinion at home and abroad and foil the pan-national rally, she stressed:

However desperately they may try, they cannot dampen the unshakable will of all the fellow countrymen to make a grand historical meeting of the nation a success on all accounts and thus bring a [word indistinct] turning-point for national reunification.

Although the No Tae-u group has blocked the northern trip of the South side's delegates by brazen methods, it will never be able to block the advance of our people for reunification in the '90s, speakers at the meeting said, stressing: all the Koreans in the North, South and abroad will more firmly unite with each other to pull down the barrier of division at any cost and bring earlier the dawn of reunification.

At the end of the meeting, the crowd left Panmunjom in a protest demonstration, singing songs "our wish is reunification" and "Korea is one."

South Denies Departure Knowledge

SK0608023490 Pyongyang Domestic Service in Korean 0205 GMT 6 Aug 90

[Text] This is just in from Panmunjom. Hearing the South Korean radio report that the delegates of the South side's promotion headquarters to participate in the third round of preliminary contacts for the preparations of the pan-national rally have left Seoul, our side requested through the hot line to be told right away when the delegates left Seoul and when they are expected to arrive. The South side said, in an evasive manner, that it does not know anything about it.

More on Rally Location Issue

SK0608051590 Pyongyang KCNA in English 0504 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—If the venue of the pan-national rally were changed today, it would only create a confusion in the rally. The rally must be held at Panmunjom as already agreed upon.

So declared the spokesman for the North side's preparatory committee of the pan-national rally, answering a question put by a KCNA reporter about the abrupt proposal of Cho Song-u, chief secretary of the South side's promotion headquarters of the pan-national rally, Saturday for the change of the venue of the rally.

Recalling that holding the rally at Panmunjom on August 15 was decided at the first preliminary contact and reaffirmed at the second preliminary contact and had been decided at a meeting for the promotion of national reunification which was held in Pyongyang in July last year, the spokesman said:

We do not know clearly at this moment whether the sudden proposal of chief secretary of the South side's promotion headquarters to change the venue of the pan-national rally to be attended by not one or two persons but by nearly 1,000 delegates at home and overseas just a few days before the rally is a decision representing the will of South Korean opposition organizations including the "Coalition for National Democratic Movement" (Chonminnyon) and the "National Council of Student Representatives" (Chondaehyop), or not. But we cannot consider it normal to propose the problem of the venue of the rally belatedly now.

We consider that to hold the pan-national rally alternately in Pyongyang and Seoul does not conform with the main purport of the rally. It being a rally aimed at peace and reunification of the country, the rally needs not to be held alternately in the North and the South of the country.

From the practical point of view the preparations for the pan-national rally did not start yesterday or today but it has been promoted for two years and its preparations have virtually been completed.

All material and technical facilities needed for the rally have been perfectly installed at Panmunjom, the venue of the rally, and a detailed timetable of the rally has been worked out.

Considering that all the democratic organizations in South Korea including "Chonminnyon," "Chondaehyop" and "Chonnohyop [National Council of Labor Unions]" will share the same view with us, we believe that they will participate in the pan-national rally at Panmunjom as scheduled.

As to the proposal of the South side's promotion headquarters of the pan-national rally to hold cultural events and symposiums in Pyongyang and Seoul in the form of cross visit before and after the rally, the spokesman said:

As for the cultural event to be arranged during the rally, it was agreed upon to let the delegates themselves perform freely, not envisaging performances of professional art troupes.

Accordingly, performances through the exchange of large art troupes are rather different from the already reached agreement among the three.

But, we are willing to take an affirmative view of this proposal and think it desirable to exchange large art troupes to give performances, taking the opportunity of holding symposiums and cultural events, conditional on the holding of the pan-national rally at Panmunjom as agreed upon.

In this case, the South Korean authorities' interference and the participation of the anti-Communist splittist organizations which they try to thrust in will be rejected, of course.

'Fuss' Over Rally Venue Viewed

SK0608052590 Pyongyang KCNA in English 0514 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—At a time when preparations for the pan-national rally are entering into their final stage, the South Korean puppets are employing every conceivable trick to obstruct it.

Commenting on this, a news analyst of NODONG SINMUN today says:

The South Korean "unification minister" raved that if the pan-national rally is held in Pyongyang, the Coalition for National Democratic Movement (Chonminnyon) will be allowed to participate in it and that it is desirable to hold the rally in Pyongyang and Seoul alternately.

The South Korean authorities who are not the initiator of the rally and have nothing to do with it are now trying to poke their noses into the preparations for the rally which have long been pushed ahead with sincerity and have now entered into their final stage and raising a hue and cry over the venue of the rally. This is nothing but an obtrusive act and premeditated trick to obstruct the rally at all costs.

The South Korean puppets are making such a fuss over the venue of the rally as it has become certain that the rally will be held successfully in spite of their obstructive moves. This fuss is, however, nothing but their last-ditch efforts to create a confusion and complexity in the rally and hinder its successful holding.

The puppets are afraid of the holding of the pan-national rally in Panmunjom because there one can see the U.S. imperialist aggression forces, the very ones who imposed sufferings and misfortunes upon the Korean people, and the reinforced concrete wall built by them in the area along the Military Demarcation Line.

If the pan-national rally is held in Panmunjom, the entire people will, no doubt, keenly feel the urgency of reunification and renew their strong determination to achieve reunification at an early date through the united efforts of the nation and come out in the reunification movement.

The South Korean authorities have not discarded the wrong behavior of acting arbitrarily at the puppet National Assembly, elbowing aside the opposition "assemblymen," and are attempting to do the same even at the pan-national rally and spelling out all sorts of sophistries to frustrate the rally. But the compatriots in the North, South and overseas will certainly smash their moves and hold the rally in Panmunjom as a historical festival, the news analyst stresses.

Delegates Interviewed 7 Aug

SK0708104190 Pyongyang KCNA in English 1019 GMT 7 Aug 90

[Text] Pyongyang August 7 (KCNA)—The North side's delegation, the delegation of the overseas Koreans promotion headquarters, the delegate of the preparatory committee in the Soviet Union and the delegate of the preparatory committee in China and her companion who had participated in the third preliminary contact for the preparation of the Pan-National Rally for Peace and Reunification of the Country met with home and foreign reporters at Koryo Hotel in Pyongyang today.

At the press conference No Kil-nam, Central Committee member of the promotion headquarters in North America, made public a joint declaration of the final agreement on the third preliminary contact for the pan-national rally and a joint statement of the delegations to the third preliminary contact adopted at the third preliminary contact.

Answers were given to questions put by reporters.

Overseas Delegation Statement

SK0608154690 Pyongyang KCNA in English 1530 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The delegation of the overseas Koreans promotion headquarters to the third working-level talks for the pan-national rally issued a second statement here today prior to the contact.

Saying the working-level talks over the pan-national rally for peace and reunification of the country which the 70 million fellow countrymen hope for would have been held only for once but for the obstructions on the part of the South Korean authorities, the statement exposed their obstructive moves to foil the three rounds of working-level talks.

Recalling that at the second working-level talks held in Seoul on July 26 and 27 the delegation of the promotion headquarters of the southern half of the country fully affirmed and consented to the 11 points agreed upon by the delegation of the overseas Koreans' promotion headquarters and the promotion headquarters of the northern half of the country at the first working-level talks in Berlin, the statement says:

The third Pyongyang working-level talks will be practically tripartite talks in content because a consensus was reached by the three parties at the first and second working-level talks held earlier and our overseas delegation reached an agreement with the delegation of "Chonminnyon" at the second working talks in Seoul on authorizing us to represent it at the third Pyongyang working-level [words indistinct] unavoidable reason.

Our overseas delegation feels regret at the absence of the delegation from the southern part of the country but is convinced that the August 15 Panmunjom pan-national rally will surely be held as a historical event amid keen interest of the 70 million fellow countrymen.

Third Rally Contact Begins

SK0608152490 Pyongyang KCNA in English 1512 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—The third preliminary contact for the preparation of the Pan-National Rally for Peace and Reunification of the Country began at the Koryo Hotel 4 P.M. today.

Present there on the North side were head of the North side's delegation to the preliminary contact Chon Kum-chol who is vice-chairman of the North side's preparatory committee for the pan-national rally, and Son Chong-chol, Cho Sang-ho, Kim Tong-kuk and Kang Chi-yong, members of the committee, and on the overseas side were Im Min-sik, general secretary of the overseas Koreans' promotion headquarters for the pan-national rally and head of the delegation of the headquarters, No Kil-nam, Central Committee member of the promotion headquarters in North America for the pan-national rally and deputy head of the delegation, Kim Chong-pu, executive member of the promotion headquarters in Japan for the pan-national rally and managing director of the delegation, Sin Kui-song, executive member of the promotion headquarters in Japan and spokesman of the delegation, and members of the delegation Chae Chong-man, representative of the preparatory committee for the pan-national rally in the Soviet Union, and Choe Yong-hui and Choe Un-pok, representatives of the preparatory committee for the pan-national rally in China.

The seats assigned for the delegates from the South side between the seats of delegates of the North and overseas sides remained empty and only their name cards were to be seen.

At the proposal of General Secretary Im Min-sik, the delegates observed a moment's silence in memory of the martyrs who fought for the reunification of the country.

They repeatedly expressed regret at the fact that the delegates of the South side's promotion headquarters for the pan-national rally failed to participate in this contact owing to the obstructions of the anti-reunification elements and manifested resentment at the South Korean authorities who have blocked their way to Pyongyang.

The points of agreement reached at the first Berlin preliminary contact and the second Seoul preliminary contact for the preparation of the pan-national rally were reconfirmed at the contact and a debate on the program for a successful holding of the rally began.

Both sides reached a unanimity of views on all the matters discussed in an atmosphere overflowing with the desire for reunification.

The contact will continue on August 7.

Delegates Issue Joint Statement

SK0708105690 Pyongyang KCNA in English
1033 GMT 7 Aug 90

[Text] Pyongyang August 7 (KCNA)—The South Korean authorities' persistent blocking of a successful convocation of the pan-national rally clearly shows that they, in actuality, do not want national reconciliation nor national unity and that they have no will for reunification though they are talking volubly about "reconciliation," "unity," and "unification", says the joint statement of the delegations and delegates of the North and overseas Koreans which was adopted at the third preliminary contact for the pan-national rally held here on August 6 and 7.

The joint statement denounces the South Korean authorities for blocking the road of the delegation of the South side's promotion headquarters heading for Panmunjom to participate in the third preliminary contact in Pyongyang.

The statement says:

The third preliminary contact for the pan-national rally, like the first contact, was held in the absence of the delegation of the South side's promotion headquarters, the delegation of the overseas promotion headquarters speaking for it. This was entirely attributable to the anti-reunification stand of the South Korean authorities to check and frustrate the pan-national rally.

Recalling that the South Korean authorities resorted to all manner of outrages to frustrate the third preliminary contact, the statement continues: with no excuse or ground can the South Korean authorities justify their act in checking the Pyongyang trip of the delegation of the South side's promotion headquarters this time.

Yesterday they barred the Southern trip of North side's delegation to participate in the second preliminary contact slated in Seoul by setting various preconditions and today blocked the Northern trip of the South side's delegation to attend the third preliminary contact in Pyongyang. This graphically proves that the "grand inter-Korean exchanges of the people" and "free travel" advertised by them are a lie and no more than a propaganda and to mislead public opinion at home and abroad.

On behalf of the 70 million fellow countrymen, the delegates of the North and overseas sides who participated in the third preliminary contact bitterly condemn such double-dealing act of the South Korean authorities, considering it to be an intolerable challenge to the desire of the entire fellow countrymen who hope for a successful holding of the pan-national rally and an unpardonable act going against the aspiration for national reconciliation, unity, and reunification.

The South Korean authorities are now running the gamut of trickeries, feeling greatly uneasy about the pan-national rally. But they must know that nothing can break the desire and will of the entire fellow countrymen to reunify the country and the nation.

If the South Korean authorities continue to persistently scheme to foil the pan-national rally, ignoring the urgent desire and will of the nation for reunification, they will face a bitterer denunciation and rejection of the entire fellow countrymen.

Delegates Issue Declaration

SK0708104590 Pyongyang KCNA in English
1021 GMT 7 Aug 90

[Text] Pyongyang August 7 (KCNA)—A joint declaration of the final agreement on the third preliminary contact for the pan-national rally was adopted at the contact held here on August 6 and 7 with delegations and delegates of the North and overseas sides in attendance.

According to the declaration, the delegates of the North and overseas sides to the contact reached a complete agreement on all the items on the agenda.

Firstly, the preliminary contact heard about the second preliminary contact from the delegation of the overseas Koreans' promotion headquarters and fully approved its results.

It finally confirmed the name, date, place and agenda of the rally; the qualification for participation; formalities of functions and the rally; and other issues which had been agreed upon at the first preliminary contact and reaffirmed at the second contact.

With regard to the qualification for participation in the rally, the participants shall be selected through the promotion headquarters for the pan-national rally on the basis of the three principles laid down in the July 4 North-South joint statement. All social strata will be included in them, conditional on their being organizations and individuals who have made devoted efforts for independence, peaceful reunification and great national unity.

Secondly, there was a detailed discussion at the preliminary contact with regard to the venue and program of the rally and a consensus of views was reached.

It was decided at the preliminary contact to hold the historic pan-national rally for peace and reunification of the country with a large attendance at Panmunjom on August 15 and adopt a resolution, an appeal to all Koreans at home and abroad, and letters to the authorities of the North and the South of Korea and the U.S. President and the U.N. secretary-general in the name of the rally.

It was also confirmed that seminars on peace and reunification of the country would be held on August 14 in three divisions, and joint meetings including athletic games and evenings of culture be organized on August 16-17, and it was decided to invite the delegates of the South side to Pyongyang.

It was decided to send delegations of the North side's preparatory committee and the overseas Koreans promotion headquarters to academic and cultural festivals that have been prepared by the South side's promotion headquarters for August 13-14.

A unanimous agreement was reached at the preliminary contact on holding on Mt. Paektu on August 13 a largely-attended starting ceremony of a "grand march for national reunification" from Mt. Paektu to Mt. Halla reflecting the earnest desire of the entire fellow countrymen for reunification and conducting a function to start for Mt. Halla at Panmunjom after a successful conclusion of the pan-national rally on August 15.

Thirdly, after a serious debate on the problem of the venue of the rally which had been proposed by the South side's promotion headquarters for the rally, a unanimity of views was reached at the third preliminary contact on holding the rally in Panmunjom on August 15 as had been scheduled.

Deep sympathy and understanding were expressed for the unavoidable position of the South side's promotion headquarters which was forced to abruptly propose the change of the venue in face of the tenacious moves of the South Korean authorities to frustrate the pan-national rally nowadays.

The view was shared at the third preliminary contact that the decision to hold the rally in Panmunjom on August 15 had been decided at the first preliminary contact and confirmed again at the second preliminary contact in Seoul and a change of the venue eight days before the rally a would not only cause a confusion in its opening but also is impossible practically.

The participants in the third preliminary contact in Pyongyang for the pan-national rally resolved to grandly hold the historical rally, the first of its kind in 45 years of division, as a festivity of great national unity, a great festivity for reunification both in name and reality the joint declaration stresscs.

South Accused of Vicious Moves

SK0708050190 Pyongyang KCNA in English 0443 GMT 7 Aug 90

["Deliberate and Premeditated Destructive Act"—KCNA headline]

[Text] Pyongyang August 7 (KCNA)—The South Korean military fascist clique kept the South side's delegates from participating in the third preliminary contact for the preparation of the pan-national rally now being held in Pyongyang. This is a deliberate and premeditated act to frustrate the pan-national rally, says NODONG SINMUN today.

We brand the puppets' mean and vicious moves as an anti-reunification, foolish act trampling upon the whole nation's desire for reunification and bitterly denounce it, says the news analyst, and continues:

With nothing can the South Korean authorities justify their barring the delegates of the Coalition for National Democratic Movement (chonminnyon) from participating in the third preliminary contact.

By blocking the northern trip of Chonminnyon delegates at the point of bayonet, the No Tae-u group revealed once again that their talk about "grand inter-Korean exchanges of people" and "free travel" is a downright lie and hypocrisy.

The South Korean fascist clique must discard the closed and self-opinionnated way of thinking that the authorities hold monopoly over contact and dialogue with the North and the people are ruled out from them, and give up their despicable schemes to foil the pan-national rally.

Further on 'Provocation' Over MDL Marker

SK0508083490 Pyongyang KCNA in English 0824 GMT 5 Aug 90

[Text] Kaesong August 5 (KCNA)—The South Korean puppets on August 4 sent scores of armed bandits to a spot near Military Demarcation Line [MDL] marker No. 1122 and committed a military provocation by unilaterally "making repairs upon the MDL marker which is controlled by our side.

The marker is under our side's control according to the armistice agreement and points agreed upon between the two sides.

However, the South Korean puppets had shouted through the frontline loudspeaker on August 2 "Let us confirm the position of the MDL marker" and at around 16:55 on August 4, without any agreement with our side, let the armed hooligans one-sidedly "repair" the marker in the area of our side in the DMZ.

This is a flagrant violation of the armistice agreement and the points agreed upon between the sides and an open act of aggression against our side.

The U.S. imperialists and the South Korean puppets must act with discretion, pondering over the grave consequences to be entailed by such military provocation in the DMZ in which armed personnel of the two sides are standing opposed.

'Enforcement Ordinance' on Exchange Law Denounced

SK0508084790 Pyongyang KCNA in English 0839 GMT 5 Aug 90

[Text] Pyongyang August 5 (KCNA)—The "enforcement ordinance of the law on cooperation in North-South exchange" brought forward by the South Korean puppets is a variety of the formula of "unified channel of dialogue" directed against civilian dialogue and it reveals once again that they have not yet shaken off the self-opinionated and power almighty mode of thinking

to abuse dialogue for permanent division and maintenance of military dictatorial power, says NODONG SINMUN today.

The news analyst notes:

The "enforcement ordinance" is for putting on a show of exchange and travel. It stiputates that Panmunjom should be the sole passage of North-South exchange through which limited persons should travel during a limited period with certificates issued by the South Korean authorities.

They leave intact the concrete wall and the "National Security Law" which defines the people in the Northern half of Korea as "members of anti-state organisation" and keep behind bars messengers of reunification who visited the North after inflicting heavy penalities on them. It is only a word-jugglery for them to cry for "free travel", advertising the "law on cooperation in exchange".

The South Korean authorities must not insist on the "unified channel of dialogue", an offspring of the era of confrontation, but fling open the door of free travel and complete opening, pulling down the concrete wall and scrapping the "National Security Law".

Yo Yon-ku Message to South President Reported

SK0608153690 Pyongyang KCNA in English 1522 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—Yo Yon-ku, chairwoman of the Korean Committee of the Struggle for the Release of Yim Su-kyong, in a telephone message addressed to the South Korean "President" today notified over the radio that the consolation team group for Yim Su-kyong will go to Panmunjom on August 14 for a visit to the area of the South side.

Our side was reading the text of the telephone message to the South side through the North-South hot line according to the usage in order to convey a telephone message from Yo Yon-ku to the South Korean "President" today concerning the dispatch to South Korea of the consolation team for woman student Yim Su-kyong.

But, the South side avoided answering the phone several times, as if there were a jam on the phone and committed the impudent act against common sense by unilaterally slamming down the receiver half way under an unreasonable pretext.

It is the first time that one side unilaterally put back the receiver since the hot line was installed between the North and the South.

Our side had to send over the radio the telephone message of chairwoman Yo Yon-ku to the South Korean "President", the South side even refusing to receive the telephone message in violation of the agreement and order of the use of the direct phone links so far observed between the North and the South.

Noting that either from the humanitarian point of view or from the traditional good manners and customs of our nation, it is only too natural for us to console woman student Yim Su-kyong, the telephone message says:

Our people sincerely praise woman student Yim Su-kyong who returned after making a big contribution to the cause of reunification while staying in Pyongyang and, at the same time, have not felt easy about her safety even a moment in the past one year.

Notably, the fact that woman student Yim Su-kyong who is suffering from heavy muscle pain and chronic gastroenteric disorder behind bars was recently transferred to the Chongju women's prison from the Seoul prison to be subjected to greater mental and physical pains, torments our people and students still more and strongly urges them to send a consolation team.

Since you in the "special announcement" on July 20 stated that you would unilaterally open South Korea from August 13 to 17 and allow the visitors to meet anyone they want in this period, we think there is no reason whatsoever for you to refuse our proposal to send the consolation team to Yim Su-kyong.

Considering that your authorities will no longer turn down the offer to send the team, I notify you that our consolation team will go to Panmunjom at 9 A.M. on August 14 as has been planned for a visit to the area of the South side.

I expect you to take an affirmative step.

Further on Telephone Message

SK0608125790 Pyongyang Domestic Service in Korean 1100 GMT 6 Aug 90

[Text] In connection with sending a group to South Korea to comfort Yim Su-kyong, our side today, as in the past, asked the South through the hot line established between the North and the South, to relay a telephone notice from Yo Yon-ku, chairman of the Korean Committee for the Struggle to Release Yim Su-kyong, to the South Korean president.

The South side, however, several times avoided getting the telephone in the course of receiving the telephone notice, while feigning difficulties in the telephone conversation.

Finally, the South side committed the rudeness of unilaterally hanging up the telephone during the conversation on unreasonable pretexts.

Since the establishment of the hot line between the North and the South, this is the first time that the South side has unilaterally hung up during a telephone conversation.

Since the South Korean side has broken the telephone use agreement, so far observed between the North and the South, has disturbed order, and has not relayed the

telephone notice, Chairman Yo Yon-ku send the telephone notice to the South Korean President through radio.

The telephone notice reads:

As is known to the world, the Korean Committee for the Struggle to Release Yim Su-kyong decided that it personally will visit Yim Su-kyong, who is imprisoned in Chongju women prison, to comfort her on the occasion of 15 August which marks the first anniversary of Yim Su-kyong's return home through Panmunjom. Thus, on 2 August, the committee tried to send you a letter related to visiting Yim Su- kyong.

Your side's working-level officials, however, refused to send our letter to you. For this reason, we must send the letter through radio.

At a time when all fellow countrymen ardently desire improvement in North-South relations and national reconciliation, I am very sorry that there took p'ace the rude incident of even refusing to hand over a letter.

Trying to comfort Yim Su-kyong is too reasonable both from a humane viewpoint and our nation's beautiful traditional custom. Yim Su-kyong, as an official representative of the National Council of University Student Representatives, participated in the Pyongyang festival. And, she was loved as a great daughter of the nation and a flower of reunification by the people of all walks of life in the northern half of the Republic and by people from every country in the world.

Our people genuinely have praised Yim Su-kyong who returned home after greatly contributing to the cause of reunification as a girl student during her stay in Pyongyang. In addition, our people have not been free from anxiety about her personal security even a moment for the last year.

In particular, the fact that Yim Su-kyong recently has suffered from severe muscle pain and chronic stomach pain, that she was transferred from Seoul detention house to Chongju women's prison, and, thus, that she is suffering from more mental and physical pain, has annoyed our people, youths, and students. Thus, we are in the position that we must send a comfort group.

Since you said in your 20 July special announcement that you unilaterally will open South Korea from 13 to 17 August and that you will permit anyone to meet whomever he wants, we stress that there is no reason for you to reject our proposal to send a comfort group for Yim Su-kyong.

Thus, thinking that your authorities will no longer reject our proposal to send a comfort group, I notify you that our comfort group will go to Panmunjom to visit the South side area at 0900 in the morning on 14 August as scheduled.

I hope you will take a positive stance.

This has been the telephone notice sent by Yo Yon-ku, chairman of the Korean Committee for Struggle to Release Yim Su-kyong, to the South Korean President.

7 Aug Telephone Message

SK0708112690 Pyongyang Domestic Service in Korean 0954 GMT 7 Aug 90

[7 August telephone message sent by DPRK Administration Council Premier Yon Hyong-muk to his ROK counterpart Kang Yong-hun]

[Text] To Kang Yong-hun, prime minister of the ROK [Taehanminguk]:

As you know, the chairman of the Korean Committee for the Struggle to Release Yim Su-kyong, representing the ardent desire of the entire people of the northern half of the Republic, tried to send your side a letter and telephone message, which contained a proposal in regard to comforting on the date of 15 August Yim Su-kyong, Father Mun Kyu-hyon, and the Rev. Mun Ik-hwan, who have suffered pain in prisons since they returned home after visiting Pyongyang for the purpose of advancing the fatherland reunification.

Because the repeated proposal of the chairman of the Korean Committee for the Struggle to Release Yim Su-kyong proceeded from pure humanitarianism and love of fellow countrymen, we expected your side to respond sincerely to this.

Furthermore, in the special announcement dated 20 July and in the joint news conference of the three ministers, your side's authorities said that your side unilaterally would open at least South Korea for five days around 15 August. In addition, your authorities said that your side would allow anyone to visit any place in South Korea to meet whomever he wants. Thus, there is no reason, or pretext, for your side's authorities to reject the comfort group's proposal to visit Seoul.

In spite of this nonetheless, I am very sorry that your side even refused to receive our letter and telephone message.

If grand exchanges of the nation and free visits, which your authorities proposed, are true, I think that now your side should make the bold decision to guarantee a visit to the South Korean area by a group to comfort Yim Su-kyong.

Our side's Korean Committee for the Struggle to Release Yim Su-kyong already decided that it would send a comfort group, including reporters, to the South side area through Panmunjom on 14 August.

Under the conditions in which your authorities vowed to guarantee personal security, conveniences, and a safe return for everyone who will visit South Korea during the period of grand exchanges of the nation, your side should put this into practice.

Believing that you will, without any conditions, guarantee personal security and conveniences to a comfort

group of the Korean Committee for the Struggle to Release Yim Su-kyong during its stay in South Korea, I expect you to take immediate measures as an official procedure to guarantee the personal security of our side's comfort group.

Yon Hyong-muk, Premier of the DPRK Administration Council

7 August 1990

Premier Sends Telephone Message on N-S Talks

SK0708115890 Pyongyang Domestic Service in Korean 0956 GMT 7 Aug 90

[7 August telephone message by DPRK Administration Council Premier Yon Hyong-muk to his ROK counterpart Kang Yong-hun]

[Text] To Kang Yong-hun, prime minister of the ROK [Taehanminguk]:

As you know, in the contact between the working-level delegates to the preliminary talks for the North-South high-level talks held on 26 July, it was negotiated that each would notify the other of the name of the responsible liaison official of both sides' delegates.

In connection with this, I notify you that Comrade Choe Pong-chun is nominated as a responsible liaison official of the North side's delegates to the North-South high-level talks.

I think that working-level questions concerning the first North-South high-level talks, including the question concerning a contact of both sides' working-level officials, to which you referred in your telephone message, will be settled through the negotiations between responsible liaison officials, together with necessary working-level officials at a proper day, after the names of responsible officials are exchanged.

I must point out that, under the conditions in which the name of a responsible official has not been released, it is a rude and insincere measure that you proposed to abruptly hold a meeting of working-level officials on 8 August.

We hope that another date will be set for a contact between working-level officials, including both sides' responsible liaison officials.

Yon Hyong-muk, premier of the DPRK Administration Council
7 August 1990

U.S. Military Exercises in South Denounced

SK0708052590 Pyongyang KCNA in English 0513 GMT 7 Aug 90

[Text] Pyongyang August 7 (KCNA)—The U.S. imperialists brought formations of F-4 and A-6 fighter-bombers and assault planes into the Osan Airforce Base from Pacific bases between 9 and 10 hours and between 13 and 18 hours on August 1 and formations of FA-18 and A-6 pursuit-assault planes and assault planes again into the same base from the Iwakuni Base of Japan between about 15 and 18 hours on August 2, according to military sources.

They sent formations of overseas-based FA-18 pursuit-assault planes to the sky above Sosan, Kongju, Wonju, Chechon, Chongup and Pyongchang between about 8 and 9 hours and between 11 and 19 hours on August 1 to stage aerial military exercises simulating a surprise attack on targets in the depths and the inland of the northern half of Korea under the support of formations of F-16, F-4, F-5 and OA-10 fighter-bombers and controlling and warning planes belonging to the U.S. 7th airforce stationed in South Korea and the puppet airforce. A total of some 200 planes were mobilized.

On August 3 some 40 nuclear capable F-16 fighter-bombers of the U.S. 7th airforce launched sham nuclear bomb-dropping exercises simulating a surprise attack on the northern half of Korea, stirring up a war atmosphere.

The South Korean puppets sent formations of C-123 transport planes to the sky above Sangju between about 12 and 15 hours on August 2 for a parachuting exercise to infiltrate "commandos" into the depth of the northern half of the country in "case of emergency."

A total of some 1,000 planes were mobilized in the military exercises in the sky above South Korea on August 1 and 2.

At the same time, the U.S. imperialists and the South Korean puppets sent a large number of infantry, motorized infantry and tank units to the area near the Military Demarcation Line in the latter half of July to stage hysteric nuclear shell-firing exercises, infiltration exercises from sea to the land, "commando" operation exercises, "guerrilla" exercises, commanding group mobile exercises and general field exercises under different names directed against the northern half of Korea.

Functions Held Abroad on Anti-U.S. Struggle

SK0608152890 Pyongyang KCNA in English 1459 GMT 6 Aug 90

[Text] Pyongyang August 6 (KCNA)—Functions of solidarity with the Korean people were held in foreign countries on the occasion of the month of anti-U.S. joint struggle and the 37th anniversary of the victory of the great Fatherland Liberation War.

Speeches were made there.

In his speech Bishnu Sundar Pradhan, general secretary of the Nepal-Korea Friendship Association, said:

The U.S. imperialists unleashed a war of aggression in Korea and destroyed everything. But the heroic Korean people under the wise leadership of the great leader

President Kim Il-song humbled the pride of U.S. imperialism and have built their country into a powerful state, independent, self-sustaining and self-reliant in defence.

The exploits performed by the great leader President Kim Il-song will shine forever in the annals of the country.

Manik Lal Shrestha, vice-chairman of the Nepal-Korea Friendship Association, said:

As the Korean people are guided by the great President Kim Il-song and dear Comrade Kim Chong-il they are successfully building socialism of Korea style, looking forward to a bright future. Today this is a great inspiration to the Third World countries.

The chairman of the ADA branch of the Ghana-DPRK Friendship Association said:

The victory of the Korean people in the Fatherland Liberation War is entirely a result of the outstanding leadership of the great leader Comrade Kim Il-song.

The U.S. imperialists should get out of South Korea at once, taking along nuclear weapons.

The senior staff of the Guyanese National Defence Force stressed that Guyana would always express support to and solidarity with the Korean people in their struggle for the reunification of the country in the future, too, as in the past.

M. Farooqi, secretary of the National Council of the Communist Party of India, expressed full support to the proposal for founding the Democratic Confederal Republic of Koryo and the five-point policy for national reunification put forward by the great leader President Kim Il-song.

He sternly denounced the criminal "two Koreas" plot of the U.S. imperialists and the South Korean authorities.

South's 27 Jul 'Anti-U.S. Meeting' Reported

SK0408043390 Pyongyang KCNA in English 0423 GMT 4 Aug 90

[Text] Pyongyang August 4 (KCNA)—More than 150 citizens and students of Pyongtaek, Kyonggi Province of South Korea, held an anti-U.S. meeting on July 27 and strongly opposed the transfer of the U.S. Eighth Army Command in South Korea from Seoul to Pyongtaek, according to a report.

"A citizens' rally for decisively opposing the transfer of the U.S. military base to Pyongtaek" was inaugurated at the meeting.

The participants in the meeting strongly demanded that the U.S. imperialists give up the relocation scheme and withdraw from South Korea, taking along all their aggression armed forces and nuclear weapons.

South Korea

Government Welcomes Northern Delegation

Prison Visits Prohibited

SK0608081890 Seoul YONHAP in English 0749 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (OANA-YONHAP)—The South Korean Government will not allow a North Korean "consolatory delegation" to meet prominent South Korean dissidents jailed for visiting North Korea, but welcomes the group's visit, the National Unification Board said Monday.

The Board said it would rather the delegation stayed in the South August 13-17 rather than the proposed August 14-18 to conform with the period for the "grand exchange of inter-Korean visits" proposed by president No Tae-u on July 20.

A Board spokesman said North Korean radio broadcasts announced Thursday that a 100-member delegation would visit the South to interview dissidents jailed for visiting North Korea without government approval.

Yo Yon-ku, chairman of the Fatherland Front, will head the delegation, he quoted Pyongyang Radio as saying. The North Korean delegation wants to see, among others, Yim Su-kyong, the Reverends Mun Ik-hwan and Mun Kyu-hyon, all behind bars for making unauthorized visits to Pyongyang in violation of the law.

In a telephone message Saturday, North Korean Prime Minister Yon Hyong-muk urged the South to accept the proposal and reiterated a conference of government and party leaders, the spokesman said.

The spokesman said: "We consider North Korea's proposal of sending its people in the South as accepting the July 20 grand exchanges and welcome it.

"However, the North's intention to meet with prisoners here cannot be allowed in that it not only contradicts the basic principle of the July 20 special announcement but also is of no help to the improvement of inter-Korean ties, though it is alright if they meet the families and lawyers of the imprisoned.

"It is true that President No Tae-u said that both North and South Koreans would be allowed,to freely visit each other and meet anybody during the exchange period, but he said so not to allow North Koreans to visit, for example, military areas and to meet certain people on the contrary of the common sense but to allow them to make their visits on the basis of respecting the South's system and order. [sentence as received]

"We hope that the North will repeal its demands to interview those imprisoned, complying with the spirit of the grand exchange of inter-Korean visits, but we herein disclose that we will provide safety and conveniences for the delegation, if the North insists," he said.

North Vows To Send Visitors

SK0708033490 Seoul YONHAP in English 0307 GMT 7 Aug 90

[Text] Seoul, Aug. 7 (YONHAP)—North Korea has reiterated its intention that it will send a "consolatory" delegation to South Korea on August 14 to visit people in jail for making unauthorized trips to the North, Naewoe Press said Tuesday. North Korea says a 100-member delegation will cross the border at the truce village of Panmunjom at 9 a.m. and have asked the South to take "positive actions," Naewoe said, quoting North Korean broadcasts monitored in Seoul.

Yo Yon-ku, head of the delegation, made public a letter to President No Tae-u through the broadcast and said the South Korean Government had no excuse to prevent his delegation from meeting with Yim Su-kyong and others jailed for traveling to the North, Naewoe said.

No announced on July 20 that South Korea will welcome any North Korean visitors from August 13-17 on the occasion of the 45th anniversary of Korea's liberation from Japanese colonial rule to promote exchanges between the two halves of the Korean peninsula. Pyongyang announced August 2, also by radio, that it was sending the 100-member delegation August 14-18 to meet with the Reverends Mun Ik-hwan and Mun Kyu-hyon as well as Yim.

The Southern government responded Monday that it welcomed their visit but would not allow meetings with jailed dissidents.

Students' Attitudes Toward U.S. Reviewed

SK0708035490 Seoul HANGYORE SINMUN in Korean 5 Aug 90 p 13

[Report by reporter An Chae-sung on a poll by the Yonsei University magazine]

[Text] It has been shown that 64 percent of our country's university students say that, among the superpowers in the vicinity of the Korean peninsula, the United States dislikes the reunification of the North and South most and that more than 70 percent think that the United States can exercise the biggest influence upon reunification.

This was shown in a poll—commissioned by TRUTH AND FREEDOM, a seasonal magazine published by Yonsei University—that Hyundae Research Institute (director, Pak Chong-son) conducted in early July. This survey polled 500 students of Korea, Seoul National, Songgyungwan, Yonsei, and Ewha Women's Universities and other universities in Seoul.

Asked "Which country is most responsible for our country's division?", 79 percent cited the United States; 60 percent, the Soviet Union; 24 percent, South Korea; and 17 percent, North Korea. Asked "Which country dislikes the reunification of the North and South most?", 64 percent cited the United States; 31 percent, Japan; four percent, the Soviet Union; and one percent, China.

However, a majority of students said that the United States "can exercise the biggest influence upon reunification." This means that even though they criticize the United States for having had adverse effects upon the North-South issue, they admit that the United States can exercise influence upon this issue.

It was also shown that the students believe that "the United States has exercised a negative influence upon our domestic politics," as well as upon the North-South issue.

Among the students, 39 percent said that "the United States has exercised a bad influence upon democracy in Korea," and 32 percent said that "the United States has exercised a good influence upon democracy in Korea." Also, 39 percent said that "the United States has exercised a bad influence upon the human rights situation in Korea," and 28 percent said that "the United States has exercised a bad influence upon the human rights situation in Korea."

Regarding actual incidents, 76 percent of the students believe that "the United States was involved in the suppression of the Kwangju democratization movement." Among them, 45 percent said that the United States "approved it beforehand"; 38 percent said that the United States "jointly suppressed the movement"; and four percent said that the United States "approved it afterward."

Even though, as was shown, the students have a very critical view of the United States in terms of reunification and democratization, they affirmatively assess U.S. roles in our economy and security to a certain extent.

The number of student who said that "the United States has exercised a favorable influence upon security in Korea" (43 percent) was bigger than the number of students who said that "the United States has exercised a bad influence" (35 percent). Therefore, the number of students who said that "the immediate withdrawal of the U.S. Forces in Korea is practically impossible" (49 percent) is bigger than the number of students who said that "it is possible" (40 percent).

Also, more than half of the students said that "our country has benefited from the United States in academic and technological fields," and 89 percent of the students said that "the United States is an important market for us."

Mr. Pak Chong-son (35), director of the institute which conducted this opinion survey, said that "as the poll shows, it would be wrong to consider the anti-U.S. movement in universities as a move to sever all of our ties with the United States" and that "if we attach significance to the affirmative aspects of the anti-U.S. movement, this will provide an opportunity for the relations between the two countries to become mature."

Delegation Returns From Moscow Talks

SK0608092890 Seoul YONHAP in English 0902 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (OANA-YONHAP)—South Korea and the Soviet Union may normalize diplomatic ties this year without passing through any intermediate stages, a senior presidential aide hinted on arrival from Moscow on Monday.

"I cannot rule out the possibility that South Korea and the Soviet Union will set up diplomatic relations this year and I think it is unnecessary to go through an intermediate stage," said Kim Chong-hwi, presidential assistant for diplomacy and national security affairs. "I see no basic obstacles as far as the establishment of diplomatic ties between the two countries is concerned," Kim said upon arrival at Kimpo International Airport from participating in negotiations August 2-3 on normalizing ties and promoting economic cooperation.

The 20-member Korean delegation, headed by Kim Chong-in, senior presidential secretary for economic affairs, and the 13 Soviet delegates, led by Yuriy Maslyukov, first deputy prime minister and chief of the State Planning Agency (Gosplan), had two plenary sessions and several meetings between key delegates from both sides.

Kim said there were deep discussions during the plenary and other meetings on promoting economic cooperation and normalizing diplomatic ties but he could not disclose details. Kim and three other delegates, who reportedly tackled mainly normalization of ties, returned on Monday but the remaining officials are due back on Thursday.

Kim said the two nations expect to sign six accords in their second round of official talks here in September, on investment protection, prevention of double taxation, trade, fisheries, aviation and science and technology.

The two sides agreed that the issues of diplomatic ties and promotion of economic cooperation be finalized simultaneously, the presidential assistant said. He said the Soviet Union expressed support for inter-Korean dialogue and shared South Korea's view on various issues.

"We also discussed South Korea's admission to the United Nations but I cannot disclose the contents," Kim said. He denied that the delegation delivered a message from President No Tae-u to President Mikhail Gorbachev. He also said the delegations did not discuss exchange visits by their heads of state, but hinted that a meeting between the foreign ministers of the two nations may take place when they attend the United Nations General Assembly this fall.

*Status of National Security Law Debated

902C0243A Seoul TONG-A ILBO in Korean 9 Jun 90 p 3

[Article by reporters Kim Chung-sik and Kim Chae-hong: "Status of National Security Law and National Police Law Debated"]

[Text] On 8 June, President No Tae-u returned from the summit meeting with the president of the Soviet Union, the suzerain of all the communist countries. It is regarded as a heroic deed for the removal of a last cold war vestige.

The Reverend Mr. Mum Ik-hwan (72) was sentenced to seven years in prison on the same day for the crime he committed by embracing Kim Il-song in Pyongyang. This shows the vast difference between the reality of our domestic law and the change in the international political climate.

Both the government party and the opposition party have been praising "the goal and the outcome" of the summit meeting of the two leaders. The opposition party, however, insists that, in order to obtain the final fruition of the northern policy, the National Security Law must be abolished and the National Security Police Law should be revised.

Even within the DLP [Democratic Liberal Party], some members voiced the opinion that the National Security Law and the National Security Police Law should be updated to bring North Korea to the negotiating table on arms reduction and nonaggression pact.

In the DLP, some members argue in favor of the revision of National Security Law and National Security Police Law because they feel more flexible methods are needed in the government's northern policy.

Former members of the RDP [Reunification Democratic Party], in particular, are of the opinion that the government party should have a more futuristic attitude and learn from the examples of the East-West German and China-Taiwan relationship.

Pak Kwan-yong, chairman of the national reunification committee in the National Assembly, and Assemblyman Kim Tok-yong insist that the DLP's present view on National Security Law revision is too conservative and must be updated.

Chairman Pak Kwan-yong insists that, if the goal for our northern policy lies in the relaxation of tension in the Korean peninsula and its eventual reunification, it is important to promote South-North dialogue as an outcome of the summit meeting between the leaders of South Korea and the Soviet Union. He says, "We must revise our law and system to deal with the North's proposals at the negotiation."

Pak Kwan-yong says South Korea should not simply reject North Korea's proposals on nonaggression pact, political/military dialogue, and arms reduction talks. He

believes that these talks can all be served as the preliminaries to more serious dialogues between the two Koreas.

Former RDP members say, "If we firmly believe that our political system and economic power are superior to the North, there is no reason to simply reject the North's proposals and insist on their accepting our proposals which are offensive to them." They emphasize that "new ideas" are important even in the negotiations between South Korea and North Korea.

In reference to the topic of National Security Law revision, assemblyman Hwang Pyong-tae said, on 9 June, "because of the rapidly changing relationship between South Korea and the Soviet Union, it is necessary to re-examine whether regarding North Korea as an antinationalistic entity is still valid or not."

Former members of the DJP [Democratic Justice Party] and NDRP [National Democratic Republican Party], however, insist that it is not safe for the South to unilaterally revise the law and get sucked into the dialogue-fever of the North because so far there has been no visible change in the North Korea's attitude.

Kim Chong-pil, a member of the supreme council, said "one catches a cold when clothes are discarded too quickly" and urged caution.

It is also interesting to note that some members within the DLP think northern diplomacy should be initiated by the party rather than the Ministry of Foreign Affairs.

A person close to representative Kim Yong-sam said, on 9 June, "The Soviet Union's lukewarm response to the summit meeting is proof that the No-Gorbachev meeting was carried out as a result of a few Moscow leaders' approval without the Soviet Foreign Ministry's consent." He insisted that party to party negotiation should precede formal diplomacy.

The same person close to Kim Yong-sam also said that the relationship between South Korea and the People's Republic of China should start on the party to party level by a representative like Kim Yong-sam or other members within the DLP.

The PPD [Party for Peace and Democracy] also regards the No-Gorbachev meeting very highly and it hopes the government will keep up the internal and foreign policies with the expectations created by the summit meeting.

Immediately following the summit meeting, Chairman Kim Tae-chung made it clear, at a press conference, that he wholeheartedly approved of the No-Gorbachev meeting. He has also prevented any customary criticism by the opposition party members by declaring to his staff and assemblymen, "regardless of the Soviet Union's formal and media attitude, the fact remains that the summit meeting was a very significant step."

Chairman Kim has expressed such positive statement because he expects to make bigger political demands by relating the dissolution of old-time cold war mentality and new conciliatory moods to the domestic and foreign policy reforms.

In the domestic policy matters, Mr. Kim cited the abolition of National Security Law and prevention of the national security police force's interference in politics.

Chairman Kim's position is that since the moods of reconciliation and open exchanges have finally arrived in South Korea due to the No-Gorbachev meeting, we must now focus more attention on reforming the South-North relationship and eventual reunification of the two Koreas than the formalization of South Korea-the Soviet Union diplomacy.

Mr. Kim regards it as contradictory to treat any contact with North Korea as a crime while negotiations on normalizing diplomatic relations with the Soviet Union, the suzerain of all communist countries, are going on. He thinks that, in order to liberalize the talk on reunification, the National Security Law which is only a remnant of the cold war era should be abolished. Moreover, he urges reforming the National Security Police Law which so far has created many "forced" communists.

The PPD emphasized the necessity of a non-partisan diplomacy with regard to the northern policy.

On this occasion, the PPD loudly criticized the fact that President No Tae-u has never briefed the PPD on his northern policy, nor on his trips to Europe and Japan. The PPD, on the other hand, acknowledged that the No-Gorbachev meeting was an important national event. In return, however, the opposition party demands its participation and appropriate share in the policy-making process of the government's northern policy.

Chairman Kim threatened to announce some important decisions if the opposition party is ignored in the foreign policy-making or non-partisan foreign policy is not carried out in the future. He said he would bring this matter up at the next party-chairmen's meeting.

Assemblyman Cho Sun-sung, a former scholar of international politics, pointed out that in the South-North dialogue and diplomacy with socialist countries, the other side would not take matters seriously unless our policy is based on the consensus beyond partisan politics.

In diplomacy, the PPD insists that South and North Korea should be accepted as one nation at the United Nations and that this must be cross-approved by the four concerned nations. Chairman Kim said the time has already passed to insist that the United Nations should accept South Korea and North Korea as separate nations, simultaneously or at different times. He emphasized that although North Korea had come up with the idea before, we should actively pursue the possibility of South and North Korea joining the United Nations as one nation.

Moreover, in the event that the relationship between South Korea and the Soviet Union becomes normalized, there will be a change in the relation between the United States and North Korea. When the problem between South Korea and the People's Republic of China becomes resolved, the relationship between Japan and North Korea will also undergo an appropriate change. Therefore, it is necessary to begin an in-depth study on the balanced diplomacy with the big four nations (the United States, the People's Republic of China, Japan, and the Soviet Union) and work toward their acceptance of South Korea and North Korea as one nation at the United Nations.

USSR's Maslyukov Discusses Gorbachev Visit

SK0608093090 Seoul CHUNGANG ILBO in Korean 4 Aug 90 p 5

[Interview with Yuriy Maslyukov, head of Soviet delegation to ROK-USSR talks, by correspondent Kim Sokhwan in Moscow on 3 August: "ROK and USSR Are on Verge of Establishing Diplomatic Relations"]

[Text] [Kim] Many theories are being circulated about economic cooperation and the establishment of diplomatic relations. Some even suggest that it is quite possible for the two countries to establish diplomatic relations before the end of this year. Do you think that diplomatic relations should be tied to economic cooperation and, therefore, concluded simultaneously? Or do you think that they should be dealt with separately?

[Maslyukov] My view is that they should be realized simultaneously. In addition, the ROK and the USSR can be said already to have entered a stage of negotiations over establishment of diplomatic relations since the San Francisco meeting between the leaders of Korea and the Soviet Union. This notwithstanding, the two countries have many things to settle before the establishment of diplomatic relations.

[Kim] The South and North of Korea recently resumed talks, and talks between the two sides' premiers are slated for September. Tell me what contribution, if any, the Soviet Union can make to the South-North talks.

[Maslyukov] Above all, the Soviet Union regards the resumption of talks between the South and North as a very positive occurrence. Also, my personal knowledge is that the Soviet Union is now studying how it can support the talks, if there is any area in which it can be of any help. In principle, however, the South-North problems should be solved by the Korean people themselves and no other country can influence them. They are problems that must be solved by the Korean people. Nobody can do it for them.

[Kim] What do you think of the possibility of President No visiting the Soviet Union and of Soviet President Gorbachev visiting Korea? Is it possible?

[Maslyukov] I believe it depends on how much effort such important people as Kim Chong-in, head of the Korean delegation who is now on a visit to our country, will make toward the establishment of diplomatic relations between the two countries.

[Kim] Western countries, including West Germany, are planning to provide loans to the Soviet Union to help it carry out economic reforms. The Soviet Union, I believe, wants the loans. Do you believe that your country is in need of loans from Korea as well?

[Maslyukov] Since it put perestroyka in motion, the Soviet Union has carried out many economic reform programs and in the process we have found many areas in which we need foreign aid. We are willing to accept help from Korea in any area we find necessary.

After concluding a series of talks, the two countries' delegates have agreed to figure out a framework and ways of mutual cooperation by taking advantage of the just-concluded ROK-USSR talks and to keep up effort in a way that helps and benefits both sides.

Given what has been discussed in Moscow, the second minister-level talks between the two countries, scheduled for September in Seoul, is likely to become an important turning point.

Russian President Yeltsin Considering Visit

SK0508073090 Seoul CHUNGANG ILBO in Korean 4 Aug 90 P2

[By correspondent Kim Sok-hwan from Moscow]

[Text] Yeltsin, president of the Russian Soviet Federated Socialist Republic, is considering paying an official visit to South Korea. This was revealed by Boshanov [name as published], Yeltsin's close associate, on 3 August. According to Boshanov, Yeltsin has been considering a visit to South Korea since last year when he paid a visit to Japan.

Boshanov is one of President Yeltsin's close associates and was the person who arranged Yeltsin's visit to the United States and Japan last year.

Soviet Human Rights Group Arrives in Pusan

SK0708003390 Seoul THE KOREA TIMES in English 7 Aug 90 p 8

[Text] A 30-member Soviet human right delegation entered Pusan yesterday on three yachts on a mission to promote ties of amity, the Korea Maritime and Port Administration reported.

The delegation, headed by Nikolai Diko, president of the Foundation for Humanitarian Innovations, came from Nokhodka for a stay of an undisclosed period. The three yachts, whose particulars were not identified, are scheduled to leave for Japan as their next stop.

An official said the delegation plans to hold a press conference at the office of a yachting site in Suyong, Pusan.

The Soviet organization was established early this year at the initiative of the Diplomacy Academy of the Foreign Department and Soviet peace bodies aimed at promoting civil diplomacy and contributing to the improvement of human rights.

The body has held some 20 conferences, with participants drawn from political, religious, journalistic and scientific fields, the official said.

Korean-Soviet Shipping Agent To Be Set Up

SK0608053190 Seoul YONHAP in English 0518 GMT 6 Aug 90

[Text] Seoul, Aug. 6 (YONHAP)—The first South Korea-Soviet joint shipping agent will be formed late this year, maritime sources said Monday.

Two Korean shipping firms will set up the joint venture with Soviet VVO. Sovfracht as it was agreed to open a Pusan-Vostochny regular container route at the third Korea-Soviet maritime talks July 16-18, the sources said.

The 300 million won (420,000 U.S. dollars) in capital will come from Sovfracht (49 percent), Wooshin International Transport Co. (34 percent) and Friendship Shipping Co. (17 percent).

With the joint firm in operation around October, all shipping agent businesses with the Soviets will be unified under one roof.

The firm will not only be a shipping agent for Soviet ships but be a broker for charters, sales and purchases, the sources said.

Alternative Sources of Crude Oil Sought

SK0708065590 Seoul YONHAP in English 0643 GMT 7 Aug 90

[Text] Seoul, Aug. 7 (YONHAP)—The Government of South Korea says it is looking for new sources of crude oil just in case Iraq and Kuwait are unable to supply the 75,[illegible]0 barrels that long-term contracts call for them to deliv[illegible] during the remainder of the year.

"The government will get 50,000 barrels from Mexico, Libya and South Korea's overseas oil development projects. The balance will be purchased on the spot market," an official of the Energy and Resources Ministry said Tuesday.

Iraq and Kuwait supply 11.8 percent of Korea's oil needs.

"We will import 22,000 barrels from the Marib oil field in North Yemen, 15,000 barrels from Libya, 10,000 barrels from Mexico and 3,000 barrels from the Khalda oil field by the end of the year if Iraq and Kuwait cannot fulfill their contracts," the official said.

Korean companies participated in developing the Marib and Khalda fields.

Seoul Editorials on Iraqi Invasion of Kuwait

SK0508053490

[Editorial Report] Seoul vernacular newspapers on 4 August carry editorials on Iraq's invasion into Kuwait.

CHOSON ILBO carries on page 3 a 1,000-word editorial entitled "Concerted Action Against Armed Invasion Is Urged." The editorial notes the chaotic situation created by the Iraqi invasion of Kuwait and the great shock it has generated for South Koreans. It expresses concern about the economic stagnation created by the Iraq-Kuwait dispute, dwelling on the serious impact the emergency in the Persian Gulf will have on Korea which depends on crude oil from that region.

The editorial stresses that the Iraqi invasion "should never be condoned under any circumstances." Mentioning the U.S. decision to freeze all Iraqi assets in the United States and U.S., Soviet, and other countries' denunciation of Iraq, the editorial notes the ineffectiveness of international denunciation and retaliation against the aggressors if they are not accompanied by appropriate punitive measures. The editorial concludes: It is high time to rally international cooperation to effectively brake Iraq which has poured cold water on a global detente mood which has been so long in coming.

"Although our country cannot play the leading role in this regard," the editorial says, "it should not sit on the sidelines as a spectator to this move."

HANGUK ILBO carries on page 2 a 1,000-word editorial under the heading "Iraq's Reckless Military Adventurism." Describing Iraq's armed invasion of Kuwait as a shocking event because it has shattered the mood of detente that has come after nearly half a century of cold war, the editorial says: "If such a bellicose adventurism is successful, the gain President Saddam Husayn will reap will be staggering."

The editorial says that "right now, Iraq—after twisting a child's arms—seems to have no stumbling block on its march." It cites U.S. inability to even mention military intervention. The editorial continues: "Iraq's invasion of Kuwait will serve as a test case of proving how regional conflicts can be brought under control in an era of East-West reconciliation."

The editorial calls on Iraq to withdraw its invasion troops from Kuwait.

SEOUL SINMUN carries on page 2 a 1,000-word editorial entitled "Iraq's Gamble in Persian Gulf and Its Impact." The editorial notes the strong reaction to the Iraqi invasion of Kuwait from various countries, including the United States and the Soviet Union. It says: "We should have no reluctance in joining in such an international movement."

The editorial then says that "Iraq's occupation of Kuwait should be regarded as a lesson" because it has created a precedent that "countries can go to war at any moment despite the mood of detente between such superpowers." Noting the limit that superpowers must feel with their sphere of influence, the editorial says: "Although there is no comparison between the military power of Iraq and of Kuwait, the Iraqi invasion of Kuwait is a great indication of what could happen to such a region as the Korean peninsula, a region in dispute on which the North and South are at a standoff."

HANGYORE SINMUN carries on page 2 an 800-word editorial under the heading "Iraq's Unjustifiable Hegemonism." The editorial first notes the danger of the Iraqi invasion of Kuwait escalating into a major oil crisis and then says Koreans cannot but pay profound attention to developments as they are heavily dependent on the crude oil from this region.

It says Iraq cannot justify its invasion and notes the economic gain Iraq can obtain through the occupation of Kuwait. It states: "The point is that the United States and many other countries that have a great interest in this region cannot sit as spectators with their arms folded and watch Iraq's armed invasion of Kuwait."

The editorial concludes: "Seeing Iraq's hegemonism expressed in its occupation of its old ally after the surprise attack, with its military power increased after the Iran-Iraq war, we once again realize how complicated but cold the political reality in the international arena is."

CHUNGANG ILBO carries on page 2 a 1,000-word editorial entitled: "U.S.-Soviet Joint Efforts To Impose Sanctions Against Invasion." Noting that the United States and the Soviet Union agreed to take joint measures against Iraq, the editorial contends that, as a result, an epoch-making motive to positively contribute to the world peace has been laid, because this means a change from the cold war system to a coexistence system.

Iraq has created a regional dispute, according to CHUNGANG ILBO, which may serve as the first test case of a cooperative system among European countries, including the cooperative system between the United States and the Soviet Union.

The editorial continues: As the ideological disputes between the United States and the Soviet Union end, we can expect that all disputes will be settled in a peaceful manner. Such possibility can be shown in the concrete efforts made by the United States and the Soviet Union to put an end to the rebellion in Nicaragua and to settle the Afghanistan question in a peaceful manner.

The editorial concludes: "This proves that if an international cooperation system is established, all disputes can be settled in a peaceful manner. Therefore, we are convinced that if all states agree to take joint sanctions against the Iraqi invasion of Kuwait, Kuwait can be restored to its previous state."

Burma

Golden Triangle 'Opium King' Khun Sa Interviewed

BK2907060490 Bangkok BANGKOK POST in English 29 Jul 90 p 9

[By Patricia Elliott with Subin Khunkaeo]

[Text] He lives in a red brick bungalow hemmed in by a brilliant tangle of flowers. Khun Sa, opium king of the Golden Triangle, says gardening is his favourite pastime.

Looking healthy and relaxed, the general holds court on his verandah. Normally Khun Sa allows only one hour for interviews with journalists, but today he is in a good mood. The afternoon slips by as he gives the BANGKOK POST a well-rehearsed but occasionally revealing account of his life.

"I'm not a devil. I don't have wings and I don't have horns and hooves," Khun Sa insists.

While US officials have dubbed him the Prince of Death, Khun Sa prefers comparisons to George Washington. He describes himself as a nation-builder for the Shan State. The legend is that George Washington never told a lie. Few outside of his immediate followers give the same credence to Khun Sa.

Born in 1934 in Loi Maw township and given the Chinese name Chang Si-fu, Khun Sa cut his teeth first with the Shan nationalist movement, then switched sides and led the local Loi Maw militia, eventually rivalling the Kuomintang in power within Burma's lawless frontier. Khun Sa's fight with the Kuomintang (KMT) was interrupted in 1969, when he was captured and jailed by the Burmese. He was released suddenly in 1974 supposedly in exchange for Soviet hostages. According to official propaganda, Khun Sa then "had to wait and while away his time acting as a playboy to the ever-watchful Burmese Military Intelligence Service."

Now Khun Sa has emerged again. In 1985 he brought his Muang Tai Army [MTA] under the nationalist banner of the Tai Revolutionary Council, which is fighting for a free Shan State. Khun Sa describes the 62,500 square mile Shan State, with its population of 8 million, as a place of anarchy and internecine warfare egged on by outside interference:

"Big towns have turned into small villages. Highways have turned into small tracks. That's why we have to take up arms. We're not doing it for fun. What we are doing is only to fence up our house so we can enjoy our own fruits. But it has somehow offended other people. I don't know why."

The offence taken is because of the "fruit". The region's most profitable fruit is raw opium and, increasingly, refined heroin. A total of 696,700 rai in upper Shan are opium fields and this year drug enforcement officials predict a bumper crop. The Muang Tai Army general admits the bulk of his movement's income comes from opium and heroin.

You could call it taking a cut from the profits for protection money. Or you could, in the words of Khun Sa, call it a legitimate commercial tax taken in by a legitimate, albeit unrecognised, government.

But Khun Sa repeatedly claims he wants to end the opium trade and also that he has the power to do so. In 1977 he told US government representatives he would phase out opium production over a six to seven year period in exchange for foreign aid. The offer still holds but so far there have been no takers.

"It has taken nearly 14 years now, twice the period of time that I proposed. Within this spread of time, how many more addicts are there? That's why in 1989 I had to review my old plan."

The latest price for the opium crop is US $210 million in UN assistance, $265 million in foreign investment and $89.5 million in private aid, to be used to provide crop substitution, schools, hospitals and other basics of development that the Shan people lack.

"Let me put it this way. They can use half of what they've been using to eradicate opium and give it to the Shan people. We will eradicate it ourselves," Khun Sa says.

Why the offer? According to Khun Sa it's all for the good of mankind. "When I have recovered my country, the 26 races of the Shan State will rejoice. But if I can free the world from the menace of opium, then I will do good for the world. I would like to do that."

This is Khun Sa's favourite line, repeated to the Press many times. He even goes further: "I want to help not only the addicts but also those who are in their monthers' wombs, to prevent them from becoming addicts."

But in the meantime he makes it clear that the production will continue until somebody pays up.

"In 1988 I told the DEA (US Drug Enforcement Administration): 'You want to eradicate opium, but you don't want to spend your money.' I'm working for my country and I offer to help them. Why don't they accept my offer"?

But critics answer that Khun Sa's offer is not for the good of mankind, but a form of blackmail. The blackmail would provide a final quick payout for a declining empire as new opium routes to India and China diminish the importance of Khun Sa's territory on the Thai border. Beyond the general's word, there is no guarantee the development money would not be used for military purposes—and Khun Sa repeatedly stresses that political freedom is a precondition for carrying out the programme.

But the "independence war" is not focussed on the ruling junta in Rangoon. "Our real enemy is the successive governments of Rangoon, but the harm they have done to us so far is only about 20 percent," says Khun Sa. Recent fighting is against the United Wa State Army and the Wa National Army. While Khun Sa maintains the Wa are the arm of Burmese oppression, US officials view the ongoing conflict as a fight for opium trade routes.

"Independence is my concern. But opium production in my country is your concern," says Khun Sa, deflecting the line of questioning away from military matters.

He launches into an attack on DEA officials, an enemy he is more confortable discussing. DEA officials use taxpayers' money to buy houses, cars and concubines, says Khun Sa. "The DEA is using the people's money. Just let the DEA officials go out and make their own money. I bet they couldn't feed even one wife if they had to do it themselves."

Khun Sa believes the DEA's motives are primarily political—the agency is engaged in covert warfare against liberation forces. "In the name of anti-narcotics they have hired armies to attack us. They have used planes to spray our houses and fields. Because of what they're doing the livelihood of the people has been destroyed."

The MTA general points to Manuel Noriega as an example.

"They called Noriega the King of Cocaine, but what Mr (US President) Bush did to Noriega was for the right of a waterway. Here, what does he want?" This seems to be the one question that truly worries Khun Sa. On March 15 the US indicted Khun Sa for drug trafficking, the same prelude to Noriega's downfall.

As the interview draws to a close, Khun Sa is anxious to ask a question of his own: "After the announcement of the indictment there has been strong talk of using planes and troops to attack me. Is this a possibility?" he asks.

The general ends by ticking off his list of invitations. The United Nations is welcome to enter his territory any time.

US officials who would give aid, but secretly, should approach him through the Thai government. "So far I have heard only sounds, nothing concrete," he says. In fact, at least one USAID-funded agency is known to be interested.

The standing offer is relayed one more time: "I want the governments to have pity on their own people. Instead of pursuing a hopeless method, why don't you come and choose the six to seven year opium eradication plan?"

What's in it for Khun Sa and his followers?

"The right to live in our own garden. That's all," he claims.

But for now the world is left wondering about what kind of garden Khun Sa intends to grow.

Plan To Mark 1988 Unrest Called Instigation

BK0708085990 Rangoon Domestic Service in Burmese 0140 GMT 7 Aug 90

[From 7 August editorial of LOKTHA PYEITHU NEZIN titled: "In Order To Prevent Recurrence of the 1988 Events"]

[Text] The State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] had no choice but to assume all state responsibilities because of events in 1988. The tragic events of 198 were unprecedented in the history of Burma with brutal killings by anarchists, looting and destruction of factories and mills by people bent on violence, and instigations and demonstrations aimed at an uncontrollable situation. We believe the entire people still cannot forget how extreme and lawless acts such as brutal decapitations were carried out right in the center of Yangon [Rangoon]. Not only do the people not wish to witness again the undesirable scenes of 1988, but they do not want to hear about these despicable events. The entire people are aware that the SLORC is making its utmost efforts to ensure that law and order and local peace and tranquility prevail and that it is working with the utmost care to prevent a recurrence of the 1988 events.

The editorial notes that Senior General Saw Maung, commander in chief of the Defense Services and chairman of the SLORC, in his Armed Forces Day speech on 27 March 1990 said that during the events [of 1988] those who were mad for power were devoid of reason and accepted instigation, support, and encouragement from imperialists and made use of youths who have not gained maturity and experience. On the other hand, those bent on violence followed the manipulations of the BCP [Burma Communist Party] underground agents, anarchy prevailed to the extreme, and some innocent people were killed off like birds even in busy areas of the city.

It should be noted in particular that the Defense Services has openly declared that it cannot allow a recurrence of the 1988 events. However, a political party has issued statements on the anniversary [of the 1988 events] and has issued directives to hold ceremonies to observe the anniversary. Such issuance of directives from a political party can be interpreted as an act of instigation aimed at creating events similar to those of 1988. It should be noted that such directives could undermine improvements that have been made in the law and order situation in the country. Such reenactment of the 1988 events is inappropriate. Directives that implicitly instigate recreation of the 1988 events are dangerous.

Therefore, it is essential to strictly observe Order No. 1/88 and Announcement No. 8/88 [prohibition on public gathering of more than five] which are still in force today.

Brunei, Malaysia & Singapore

Malaysia

Government Not To Freeze Kuwaiti, Iraqi Assets

BK0708104690 Kuala Lumpur International Service in English 0800 GMT 7 Aug 90

[Excerpt] Malaysia will not freeze Kuwaiti or Iraqi assets in Malaysia. Deputy Prime Minister Ghafar Baba said the assets of the two countries in Malaysia are negotiable. Answering questions by newsmen in Kuala Lumpur this morning, Mr. Ghafar said Malaysia would fully subscribe to the United Nations Security Council resolution urging Iraq to withdraw all its occupation forces from Kuwait. [passage omitted]

Naval Workers Reported Detained by Iraqi Troops

BK0708065090 Hong Kong AFP in English 0507 GMT 7 Aug 90

[Text] Kuala Lumpur, Aug 7 (AFP)—Six Malaysians working at a naval dockyard near Kuwait City are among foreigners seized by invading Iraqi troops, a Malaysian Foreign Ministry spokesman said Tuesday. "We understand they are being held at the naval base along with Kuwaitis, but we are not sure because of rumours that some foreigners are being moved to Baghdad," he said.

The English language daily, THE STAR, Tuesday quoted the wife of one of the men as saying that her husband was a contract employee at the naval base.

The Malaysian Embassy in Kuwait reported Monday that all six were safe along with 48 others who were passengers on a British Airways flight stranded in Kuwait since the fighting began Thursday.

Malaysia, a non-permanent member of the U.N. Security Council, has called for an unconditional withdrawal of Iraqi forces from Kuwait. But Malaysia's Defence Minister Tengku Ahmad Rithauddeen said Monday that the superpowers should stay out of the conflict to give peace efforts by the U.N. and the Arab League a chance to succeed.

Prime Minister Mahathir Visits Venezuela

WA0608180590

For reportage on Prime Minister Dr. Mahathir Mohamed's official visit to Venezuela, including his talks with Venezuelan President Carlos Andres Perez, see the Venezuela section of the 6 August Latin America DAILY REPORT and subsequent issues.

Singapore

Learning From Kuwait's 'Mistakes' Stressed

BK0708035990 Hong Kong AFP in English 0331 GMT 7 Aug 90

[Text] Singapore, Aug 7 (AFP)—Singapore should learn from the mistakes of Kuwait and avoid complacency resulting from its economic successes, Communications and Information Minister Yeo Ning Hong said. "For small countries, successes does not necessarily afford protection over fundamental vulnerabilities," said Mr. Yeo, who is also second defence minister.

Mr. Yeo, addressing a national day dinner here Monday night, said that Kuwait, despite its immense oil wealth, was a "walkover for an aggressor intent on taking over the country". It took only a matter of hours for Kuwait to lose its sovereignty and wealth, he said.

Mr. Yeo said the superpowers' "bitter experience with their Vietnams and Afghanistans" have made their people and leaders "cautious about military involvement overseas". "If such superpower inhibition continues, regional aggressors all over the world may be emboldened to ride roughshod over their smaller neighbours," the minister said. "Hence, Iraq's invasion of Kuwait does not augur well for smaller states".

Mr. Yeo was the second Singaporean Government minister to remind the population of this tiny island state's vulnerability to "outside forces". First Deputy Prime Minister Goh Chok Tong told a national day dinner during the weekend that Singapore must never allow itself to become another Kuwait—a country with much wealth, but no defensive capability.

Cambodia

Ranariddh Discusses U.S. Policy Shift, SNC

BK0708095090 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 6 Aug 90

[Station correspondent's interview with His Royal Highness Prince Norodom Ranariddh, personal representative of His Royal Highness Samdech Norodom Sihanouk, supreme commander of the National Army of Independent Kampuchea and secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia; place and date not given—recorded]

[Summary from poor reception] [Correspondent] My first question is about the U.S. policy shift on Cambodia. Please comment on this policy shift. What is FUNCINPEC's reaction?

[Ranariddh] In my capacity as personal representative of His Royal Highness [HRH] Samdech Norodom Sihanouk, supreme commander of ANKI [National Army of Independent Kampuchea] and secretary general of

FUNCINPEC [the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], I would like to thank the Voice of the Khmer correspondent for interviewing me at a time that is very significant to development of the settlement of the so-called Cambodian problem. Concerning your first question regarding the new U.S. policy, here are our reactions:

"1. On the official causes for the change, I would like to point out that the U.S. Government has informed me as follows:

"First of all, they said they did this due to pressure from a part of the U.S. Senate. Therefore, this matter does not have much to do with the Cambodian problem. It is an internal matter of the United States, which they called a domestic matter. They also informed me clearly that the United States would continue its support, in the political field as well as in terms of aid, to the two non-communist nationalist movements. Recently, after meeting and exchanging views with the six ASEAN [Association of Southeast Asian Nations] ministers in Jakarta, U.S. Secretary of State James Baker stated clearly at his news conference that the United States still supports the non-communist nationalist movements.

"Concerning the withdrawal of U.S. support for the Cambodian seat at the United Nations, I would like to stress that in my opinion this U.S. action may bring about bad consequences as follows:

"First of all, this U.S. change after supporting the ASEAN policy on the so-called Cambodian problem for the past 11 years is tantamount to accepting the so-called Vietnamese fait accompli, that is, accepting what Vietnam has committed in Cambodia. As is known to all respected clergymen and listeners, Vietnam has not withdrawn all its troops from Cambodia. On the contrary, it has sent even more troops to Cambodia, such as those who attacked our patriotic movement in Battambang and Kompong Thom. Moreover, Vietnamese immigrants have continued to come to Cambodia and the removal of the border demarcation by Vietnam—an act that is unacceptable to us Cambodians—is still going on. Therefore, this bad consequence involves the recognition of a so-called Vietnamese fait accompli.

"Another bad consequence is that if the United States and a number of Western countries withdraw their support for Cambodia's seat at the United Nations or vote against it, in my opinion it will be tantamount to creating the worst precedent in the history of the United Nations. This is because first, it is already bad enough to expel a full-fledged member, and second, it is even worse because Cambodia is the victim of the Vietnamese aggression. To expel the suffering party is a bad precedent because, by doing so, in the future the United Nations will not be able to ensure the security, independence, and territorial integrity of its members, particularly the weaker members."

Vietnam is not a big country, it should also think about its future. Other countries should also think about this. As I said, this expulsion will create a bad precedent. Therefore, the majority of countries in the United Nations should also think about this before voting to expel us from the United Nations. They should think about themselves, and the fact that they might become victims of aggression from another bigger country and face the same fate.

"There is a third aspect. I do not understand how the expulsion of us, particularly the Khmer Rouge, from the United Nations will help settle the Cambodian problem peacefully. I am worried that as soon as Democratic Kampuchea loses its UN membership and has no more responsibility before international opinion and the world—as a member of the United Nations, one has the duty and obligation of a UN member—and, as Mr. Sitthi Sawetsila said, if we push the Khmer Rouge back into the jungle again, Democratic Kampuchea or the Khmer Rouge will have no other alternative but to strengthen and enhance its struggle. In that case, the objective will no longer be a peaceful solution, but it will become a solution, through military means, that is contrary to what all the patriots and all peace-loving people want.

"Moreover, I must say that such an action will create another obstacle to a peaceful settlement within the framework of the so-called five permanent members of the UN Security Council [UNSC]. Why did I say this? It is because the five members held discussions and achieved a satisfactory result on this matter. However, if we expel the Khmer Rouge and prevent them from having any role, it will be another obstacle to the progress of the Cambodian settlement.

"These are some of my reactions to the U.S. decision on its new policy concerning the so-called Cambodian problem.

"Before concluding, I would like to inform you, as I informed some other radios, that with this U.S. policy shift, if Vietnam realizes that it should soften its stance in response to the step taken in its favor by the United States, it will be a good thing. It will be good if Vietnam thinks that since the United States is good to it, it should also change its attitude concerning the problem it has created. On the contrary, if Vietnam and the Hun Sen regime regard the U.S. policy change as their victory, I am worried that Vietnam will not soften its attitude on a peaceful settlement of the Cambodian problem, but will instead certainly toughen its attitude, realizing that its difficulties in economic and all other fields might be reduced since the United States and other Western countries will come to help it. Vietnam might think that it should continue to toughen its stance and let the United States pressure the Khmer Rouge. If so, it will not be favorable to settlement of the Cambodian problem through peaceful means."

[Correspondent] The ASEAN countries, which just concluded their meeting in Jakarta, announced that establishment of the supreme national council [SNC] is the most urgent matter in seeking peace for Cambodia. Is this decision in line with the outcome of the meeting of the five superpowers that are the UNSC permanent members? What is your opinion regarding the establishment of this SNC?

[Ranariddh] "Concerning your second question regarding the recent meeting of the ASEAN member countries in Jakarta, here are my reactions:

"1) As our Samdech Euv, Samdech Preah Norodom Sihanouk, said in a message to the ASEAN ministers, this ASEAN decision is the greatest act of justice toward the Cambodian people, who are the victims of the Vietnamese aggression. The samdech said he was not worried about the fate of his government. If we are kicked out of the United Nations, the problem is not the faith of our government but the survival of the entire Cambodian nation and Cambodia's independence, sovereignty, and territorial integrity. We Cambodians would like to express our gratitude for this unforgettable justice given us by the ASEAN countries. Moreover, ASEAN has done this correctly because our government was born in an ASEAN capital, that is in Kuala Lumpur, and has been supported by the godfather of our government—the six ASEAN member countries—and many other countries for the past several years. Thus, the ASEAN countries said that they cannot abandon their son.

"The ASEAN countries also said they support an idea to quickly establish the SNC and let this SNC take over Cambodia's UN seat if it can be established before the coming UN General Assembly in August [as heard] or October. This is an important point. ASEAN stressed that if the SNC cannot be established before that time, Cambodia's seat at the United Nations must not be left vacant. This seat must remain under the control of our Cambodian National Government. This is the most important point.

"Concerning the formation of the SNC, I would like to inform you that the information given me by some members who attended the recent meeting in Paris of the five UNSC permanent members has given me much hope and great satisfaction regarding the SNC issue. This is because, first, the use of the term individual, [preceding word in English] and not parties, factions [two preceding words in English], groups, or parties, clearly shows that this council should be represented by all Cambodians so it can truly represent the Cambodian nation.

"ASEAN clearly stressed that no Cambodian party or group should be excluded. This is an assurance. It is not that I, Ranariddh, am trying to defend the Khmer Rouge. But they said that the SNC represents the entire Cambodian nation. They say it is of all shades [two preceding words in English]. All shades means all Cambodian opinions. Thus, it includes communist opinion, nationalists' opinion, and so forth. I am not talking about the opinion of the genocidal gang. If I were to talk about the opinion of the genocidal gang, even in Phnom Penh there are some genocidal elements. Therefore, it should be a matter of [passage indistinct]

"Another point is that we call it a supreme council. How can it be a supreme council when the samdech does not want to be a member or the chairman of it and His Excellency Son Sann will not join it. Since no one other than His Excellency Hun Sen, myself, and Mr. Son Soubert have joined it, I do not understand how it can be a supreme council. It can be a supreme council only when its power-holders are the supreme leaders. The five countries have also said they will not force anyone to join but that they will be very glad if the SNC members elect Samdech Preah Norodom Sihanouk as chairman. They have said it depends on the members. But if the SNC members voted for the samdech to be the chairman of this council, the five countries, including the Soviet Union, would be very glad and give their warm welcome."

Also in this connection, they have agreed on enhancing the UN role. They have not yet made a final decision. According to what I have heard, they will certainly decide on it in line with a formula already accepted by Samdech Preah Norodom Sihanouk. I cannot say more about this. However, I think this formula has already been rejected by Mr. Hun Sen. Vietnam has already said no to this formula. But, these countries have made a so-called compromise. [passage indistinct] What remains is a compromise formula which may be possible and is in line with the desire that the samdech used to write about. I cannot say much more about it.

In conclusion, I would like to inform you that the five members have already decided on the military aspects. They have set forth a document on this, but they have not yet publicized it because it must be issued simultaneously with the document on the SNC. This is why they have not yet publicized the military document that has already been completely agreed upon. This military document clearly defines the supervision of the withdrawal of all Vietnamese troops from Cambodia. It also mentions the cease-fire and many other things that I am not allowed to mention to the press. However, I can tell you that agreement on the military aspects has already been reached. I think this agreement is quite favorable to us. By us, I do not mean the Khmer Rouge or anyone in particular. I mean it is favorable to peace and stability in our Cambodia. This is the important point.

All of us want peace. No one wants to continue the bloodshed. Particularly, no one wants to continue shedding the blood of the Cambodian people. However, peace will be meaningless if it does not last long, if there is no stability, if Cambodia still remains under Vietnamese aggression, and if Cambodians are still strangling

each other. I know that all our compatriots want peace and independence for our nation.

I know that the people and even the administrators under the Heng Samrin regime love and support Samdech Sihanouk, who is the symbol of peace. Thus, I think that if the United Nations, the international conference on Cambodia, the five UNSC member countries, and the six ASEAN countries help to ensure peace and independence, and establish the SNC under the samdech's leadership, the officials in the Hun Sen administration will certainly kick Mr. Hun Sen out for corruption, favoritism, and all sorts of rotten acts. If our samdech becomes chairman of the SNC with the guarantee of the United Nations, ASEAN, and the five countries, which include China and the Soviet Union, all our compatriots will certainly rally around the samdech. Thus, I can see a bright future for our Cambodia. [passage indistinct] I think this new situation is favorable to us, the patriots, who are making efforts to seize back not the state power, but the most valuable thing for all Cambodians—that is, peace with our territorial integrity, independence, sovereignty, and honor.

NGC Foreign Ministry on Invasion of Kuwait

BK0708023590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 6 Aug 90

["5 August Statement by the Spokesman of the National Government of Cambodia's Foreign Ministry"—read by announcer]

[Text] The recent event in Kuwait has terrified the world extremely. The UN Security Council has held an urgent meeting and has adopted a resolution demanding that all foreign troops withdraw from Kuwait. The National Government of Cambodia [NGC] supports the resolution of the United Nations.

The event in Kuwait more concretely confirms that in order to safeguard peace and stability in the regions of the world, in particular, to ensure that small and defenseless countries have the right to live in peace and sovereignty within the limits of their territories, it is necessary that the peace-loving countries the world over unite to firmly protect the principles of the UN Charter and oppose the acts of aggression committed under whatever pretext. Nothing should be done to reward the aggression.

On this occasion, the Cambodian people, victims of the Vietnamese aggression for nearly 12 years, would like to express profound thanks to all peace- and justice-loving countries for their assistance and support to the struggle conducted by the Cambodian people led by the NGC, and the Cambodian National Resistance Forces headed by His Royal Highness Samdech Norodom Sihanouk. This assistance and support are joint efforts in defending the principles of the UN Charter, making the charter a concrete force which all countries, large or small, should respect and abide by.

Report on Assembly's 6 Aug Afternoon Session

BK0608151390 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Aug 90

[Text] On the afternoon of 6 August, the 19th Session of the First National Assembly continued its work actively under the chairmanship of Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly of the State of Cambodia.

This afternoon the assembly members listened with lofty sense of responsibility to a report read by Mrs. Khou Chandara, assembly member for Siem Reap-Oddar Meanchey constituency, regarding the objective difficulties in the economic field in wartime and requesting the Council of Ministers to take urgent measures to prevent rising prices of goods; a report on the difficulties regarding the export of rubber read by Comrade Sam Sarit, assembly member for Kompong Cham constituency; an explanation by Chairman of the Council of Ministers Comrade Hun Sen regarding the currency depreciation in the free market and calling on assembly members from all constituencies to pay attention to collecting currency for state budgets; and a report of Comrade Cha Rieng, director general of the People's National Bank of Cambodia, on the price problem, revenue, and expenditure.

The session adjourned at 1700 and will resume tomorrow morning.

Chea Soth Closes Economic Management Course

BK0208071190 Phnom Penh Domestic Service in Cambodian 2300 GMT 1 Aug 90

[Summary] On the morning of 31 July, a ceremony was held at the Planning Ministry's Salary and Labor Office to conclude the second training course on economic management for high-ranking cadres chaired by Chea Soth, member of the party Central Committee Political Bureau and chairman [title as heard] of the State of Cambodia's Council of Ministers.

Deputy Minister Keo Samut read a report on the results of the three-month training course attended by 23 students. Speaking to the students, Chea Soth urged them to strive to implement well the party and state policies aimed at restoring the national economy.

Indonesia

Coverage of Official Visit by China's Li Peng

Ties Linked to Cambodia Solution

BK0608104590 Jakarta ANTARA in English 0918 GMT 6 Aug 90

[By S. Sukamto]

[Text] Jakarta, Aug 6 (OANA-ANTARA)—Chinese Prime Minister Li Peng arrived here Monday, the first

visit ever made by a Chinese leader in more than 20 years, to mark the resumption of diplomatic relations between Indonesia and the People's Republic of China (PRC). It would also mark the restoration of friendship between the two nations. The two countries agreed to resume their diplomatic relations on August 8.

On that date, Indonesian Foreign Minister Ali Alatas and his Chinese counterpart Qian Qichen will sign a Memorandum Of Understanding (MOU) on the resumption of diplomatic relations between Jakarta and Beijing in the presence of President Suharto and Chinese Prime Minister Li Peng.

Indonesia and China enjoyed close ties in the 1950's, with Beijing extending loans to Jakarta and both countries working together to build a non-aligned movement of third world nations. But relations soured by the mid-1960's with Indonesia accusing China of complicity in an unsuccessful 1965 coup attempt to overthrow then-President Sukarno. China denied any role in the coup, while attacking Indonesia for alleged persecution of its ethnic Chinese minority.

By taking into account the recent developments in the world, the two Asian nations began to explore the possibilities for normalising their diplomatic ties since several years ago. [as heard] Their ranking officials accredited to the United Nations had met for several times and the contacts between the two governments reached their culmination when President Suharto met with Chinese Foreign Minister Qian Qichen in Tokyo while attending a funeral ceremony of Japanese Emperor Hirohito in February last year. A joint communique issued at the end of Foreign Minister Ali Alatas' visit to Beijing last month said the resumption of diplomatic relations between Jakarta and Beijing was drawn up in conformity with their agreement reached in Tokyo on February 23, 1989 that normalization of relations would be based on the five principles of peaceful coexistence and the ten principles of the Bandung Conference. The communique said the two countries had also agreed to exchange ambassadors and provide each other with facilities for the reopening of their respective diplomatic missions.

It is at the invitation of President Suharto that Premier Li Peng will make a goodwill visit to Indonesia on the occasion of the resumption of diplomatic relations.

Minister Alatas, while exchanging toasts with his Chinese counterpart Qian Qichen at a banquet after their first meeting at Diaoyutai state guest house in Beijing, made it clear that Indonesia wished to let bygones be bygones. Indonesian-Chinese relations go back a long way into the past, he said. As in any such relationship, it too has had its share of ups and downs. But now we have decided to resume—and to realize the full potential of—that relationship....

Meanwhile, Qian said that now the conditions are there and the time is right for the resumption of our diplomatic relations. So we can say that everything is ready.... Thanks to our joint efforts, the process of normalization of our bilateral relations which is of historic significance is going to be completed, he said.

Qian also predicted that a resumption of Sino-Indonesian ties—which could see the two nations exchange embassies by year's end—would herald a new period of full-fledged development between China and ASEAN. The resumption of diplomatic relations between Indonesia and the PRC also means an endeavor to restore political stability in Asia, especially in Southeast Asia where the Cambodian conflict has not been thoroughly settled. This will make the normalization of diplomatic ties between the two countries the basis of sound diplomatic relations among all Asian nations said an MP [Member of Parliament], Marzuki Darusman, here. He was optimistic that the 11 year old Cambodian conflict will be settled following the reopening of Indonesia-PRC diplomatic ties. At least it would turn out new alternatives in the negotiation process, he added.

China supports Indonesia's efforts to seek political solution to the Cambodian conflict and China would give flexible response based on peaceful coexistence.

The reopening of diplomatic ties between the two countries, according to Darussman, would also strengthen Indonesia's position in the campaign to become the host of the coming Non-Aligned Movement (NAM) conference.

It is expected that the reopening of the diplomatic ties would contribute a lot to the efforts to develop the welfare of both Indonesian and Chinese people as well as to maintain the stability in the Asia-Pacific region.

As stated by Chinese Foreign Minister Qian Qichen after his meeting with Minister Alatas in Beijing last month that it would be for sure that the restoration of the ties would also increase bilateral economic relations between the two nations. Minister Alatas shared his opinion recalling that Indonesia and China had started direct trade activities—despite the absence of diplomatic ties—since 1985.

The important thing now is to work hard so that the two countries can formulate a new trade agreement, he said. It is in this context that the two countries would also sign a new trade agreement during the current visit of the Chinese leader to Jakarta.

Ethnic Chinese, Cambodia Discussed

BK0708112390 Jakarta Domestic Service in Indonesian 1000 GMT 7 Aug 90

[Text] During his talks with President Suharto at Merdeka Palace in Jakarta this morning, Chinese Prime Minister Li Peng reiterated that his government will not make use of overseas Chinese such as those in Indonesia to protect the interests of the People's Republic of China

[PRC]. He also hoped that they will become good citizens. He said the PRC Government has absolutely no contact with the outlawed Indonesian Communist Party, PKI.

In the talks that lasted for two-and-a-half hours, President Suharto and Premier Li Peng expressed satisfaction over the process of normalization between the two countries on which an agreement will be formally signed tomorrow in Jakarta. The two heads of state also feel that the normalization of diplomatic relations will not only be significant to the PRC and Indonesia, but will also contribute to the development of the world in general.

Li Peng also said that the PRC Government supports Indonesia's role in seeking a solution to the Cambodian issue.

Minister-State Secretary Murdiono, who briefed newsmen on the outcome of the talks between the two leaders, said President Suharto welcomes Premier Li Peng's invitation to him to visit PRC in a short while.

According to Minister Murdiono, while President Suharto and Premier Li Peng were having their talks, ministers and senior officials of the two countries also held a meeting in a separate room.

One outcome of the meeting, among others, is that the two sides have agreed to set up temporary offices in Beijing and Jakarta to pave the way for the opening of diplomatic relations. It has also been agreed to set up a permanent building or premises where diplomatic duties will be carried out by the two sides. Murdiono said that for such a purpose the two foreign ministers agreed to send in an advance team to Beijing and Jakarta to handle technical issues. In the field of economy, the two countries have agreed to immediately provide facilities required for promoting cooperation in air and sea communications. The two sides also agreed to encourage development of investments, economy, and trade that will mutually benefit each other.

Laos

Souban Salitthilat Says Japan Talks 'Fruitful'

BK0308154390 Vientiane Domestic Service in Lao 0000 GMT 3 Aug 90

[Text] In an interview granted to our national radio correspondents yesterday evening, His Excellency [H.E.] Deputy Foreign Minister Souban Salitthilat explained the atmosphere at the talks between the delegation of the Lao People's Democratic Republic [LPDR] led by H.E. Phoun Sipaseut, vice chairman of the Council of Ministers and foreign minister, and the delegation of the Japanese government led by H.E. Taro Nakayama, held at the Government Guest House in Vientiane yesterday afternoon. The deputy foreign minister said that the talks were fruitful and an atmosphere of mutual understanding prevailed. The Japanese government expressed its desire to give more aid to Laos in various fields, especially in the implementation of the forthcoming third five-year plan. H.E. Souban Salitthilat went on to say:

[Begin Salitthilat recording] At the meeting between Lao Foreign Minister Phoun Sipaseut and Japanese Foreign Minister Taro Nakayama, the two sides reassessed the past relations between the two countries and agreed that the Lao-Japanese ties in the recent past were very positive, satisfactory, and fruitful. However, the two sides still realized that there are many great possibilities for both countries to develop more cooperation in the future because the good intentions and sincerity of the two sides will serve as a good basis for promoting further bilateral cooperation. This is because Laos and Japan are both located in Asia. In addition, the Japanese side highly valued a new change which has occurred in the LPDR. Japan sees Laos' policy of establishing greater ties with the West as correct. Japan also approves of Laos' policy of applying or promoting the other economic sectors for such acts will bear fruits in the future.

The Japanese side also expressed its desire to give more assistance to Laos in various fields, especially in the coming third five-year plan. During his visit, the Japanese foreign minister said that Japan is pleased to assist Laos in repairing and expanding our television station. Japan will send a team of eye specialists to work in Laos for two months in November this year. Other special medical teams will also come to Laos to collect necessary data for determining aid to Laos in the public health field in the future. As for other specialized fields, Japan will provide assistance to us, especially in the finance, economic, and other sectors. Japanese experts in these fields will help Laos map out plans and policies on finance and economic matters. At the same time, we also explained to the Japanese government the various projects and policies of the Lao government so that ways can be sought in the future for acquiring more assistance from Japan.

In addition, Japan has also proposed to establish cultural cooperation with Laos. With regard to this, the Japanese side expressed interest in two projects. The first project is the restoration and renovation of the Vat Phou Ruins in Champassak Province. Japan has already allocated $300,000 for this project through UNESCO provided the Lao side can reach an agreement with this organization to carry on the restoration work at the ruins. Another project which the Japanese side has expressed interest in is Lao folk songs. This is because the Japanese people also love to listen to folk songs. Therefore, next year the Japanese government would like to invite some Lao experts in charge of Lao folk songs to visit Japan to exchange experiences with their Japanese counterparts. A Lao folk song troupe will also be invited to visit Japan at the same time under the sponsorship of the Japanese government.

Japan also expressed keen interest in helping Laos in our attempt to seek more cooperation from foreign countries

in the economic field. With regard to this, Japan will provide help in giving legal advice to Laos, especially on trade and labor laws.

All the projects which have been proposed by the Japanese government delegation are not the same projects which have already been advanced by the Lao side in its annual request to Japan.

The two sides also discussed and consulted with each other on the Cambodian issue. The Japanese foreign minister informed the Lao side that at first the ASEAN countries developed a conflict with the United States after the U.S. secretary of state had announced that the United States would withdraw its recognition of the so-called Coalition Government of Democratic Kampuchea at the United Nations and would hold direct talks with Vietnam. However, the United States and the ASEAN countries subsequently consulted with one another on this matter [at the ASEAN foreign ministers conference in Jakarta] and reached an understanding that their conflict on this issue still remained. However, all participants at both the ASEAN meeting [in Jakarta] and the Asia-Pacific Economic Cooperation [APEC] Conference in Singapore have agreed that the urgent issue for Cambodia at present is the formation of the supreme national council for Cambodia to supervise the elections and the formation of a government in the future and to work out other problems. Therefore, both the ASEAN countries and the participants in the Singapore meeting have agreed that efforts must be made to convince all the Cambodian factions and all parties concerned to set up this supreme council before the convening of the next UN General Assembly session so that the Cambodian people will, by then, have a true representative to speak for them at the United Nations.

All in all, we agreed that the talks between the two sides were very fruitful and the atmosphere of mutual understanding at the meeting was also excellent. Therefore, it can be said that the future of relations between Laos and Japan is bright provided each side continues to maintain the present pace of progress.

In addition, the two ministers also signed three documents together, namely the document on the development of the Vientiane plains, the document on the repair of the Nam Ngum hydroelectric dam, and the document on the purchasing of necessary equipment and materials to meet the needs of our people. The total aid amounts to approximately 1,600 million yen. Therefore, it can be seen that the signing of the documents and the talks were satisfactory and fruitful. [end recording]

Increased Japanese Economic Presence Noted

BK0408060090 Bangkok THE NATION in English 4 Aug 90 p 8

[By Kawi Chongkitthawon]

[Text] Vientiane—When the foreign minister of the world's second largest economic power visited one of the world's poorest countries, something was in the offing.

Beyond being the first visit of a Japanese Cabinet member to Laos since the Pathet Lao's takeover of the landlocked country in 1975, Foreign Minister Taro Nakayama's visit to Vientiane yesterday also marked a new phase in Japanese-Lao cooperation.

First of all, it marked the beginning of increased Japanese economic presence in Laos. Japan, which has maintained its economic assistance to Laos at the level of US.$15 million a year, will this year exceed that amount. During his visit, Nakayama signed three aid agreements for development projects with his Lao counterpart, Phoun Sipaseut. Japan has already become the biggest aid donor to Laos from the noncommunist world. Sweden ranks No 2.

A Japanese diplomat told THE NATION he is confident that Japanese aid will gradually increase in the future but "not in a drastic manner." He said this year the aid could increase to US$16 or US$17 million.

Tokyo increased its aid to Laos to the present level of US$15 million when Prime Minister Kaysone Phomvihan visited Japan last October, which also boosted Japanese-Laos economic cooperation. Kaysone's visit was historic not so much because the Lao premier chose to visit Japan as his first trip to a noncommunist industrialized country, but because of the premier's personal trust and confidence of Japan.

During his Tokyo visit, Kaysone underwent a physical examination "because he trusted the modern technology in Japan," according to an informed diplomatic source.

Kaysone is also an avid student of Japan's economic success. With that kind of personal rapport, Laos and Japan have proceeded to promote economic relations at the level and speed which has never been seen before in any of the two other Indochinese countries.

With that kind of conviction, during Nakayama's visit here, he never failed to reiterate the position that Tokyo firmly supports the ongoing open-door policy in Laos. It is under this framework and commitment that Japan will continue to provide assistance.

Furthermore, Japan has already pledged to provide economic assistance to upgrade public services such as public transportation in Laos. Last year, Japanese economists also gave a series of lectures on economic management and the success of Japan's economic policy to both junior and senior Lao government officials.

Lao officials here welcome the growing Japanese assistance in upgrading its infrastructure because the help goes along very well with the "new thinking," or Chintanakan Mai, introduced in Laos in 1986. Under this new approach in national development, Laos has slowly turned its centralized economic planning to a more market-oriented policy. The government has revamped

various economic policies and outdated regulations to encourage private enterprise, foreign investment and increased productivity.

In the near future, Japan will likely provide cheap yen loans to Laos for key development projects. So far, Vientiane has submitted seven projects for consideration. If Japan decides to provide yen loans, it would further deepen Japan's role in Lao economic planning and development. Currently, Laos is working on a third five-year plan for 1991-95. A Thai diplomat said the economic assistance from Japan will play a crucial role in realizing many objectives of the new economic plan.

The Soviet Union is providing the bulk of foreign aid to Laos. However, some diplomats have noted that sooner or later Japan's economic assistance will supercede the assistance given to Laos by its traditional socialist allies as the Soviet Union and East European countries have begun to reduce their aid and to rethink their policies on Indochina as a whole.

While economic reasons are obvious, it would be wrong to say that Japan's relations with Laos are void of political significance. From Japan's viewpoint, Laos is the most accessible nation among the three Indochinese countries, where it can make its presence felt without antagonizing its Western allies and friends in ASEAN. Unlike Laos, Japan's previous attempts to move into Vietnam and Cambodia were scorned by the United States and ASEAN.

Since 1975, Japan has patiently nurtured its links with Laos, which is acting as the buffer zone between Thailand and Vietnam. Tokyo sees peace and stability in Laos as crucial to overall prosperity of Thailand. Tokyo immediately expressed grave concern when Thailand and Laos were briefly engaged in an all-out border war in 1988. Japan is Thailand's No 1 foreign investor.

Although hostility between Thailand and Vietnam have receded over the years, Japanese officials feel that Laos is still needed as a buffer zone. That explained why Japan has been so enthusiastic to provide assistance to Laos and support its current economic reforms. Japan is also eager to help forge closer Thai-Lao relations, acting as a go-between. For example, in the future, Japan would like to sponsor the training of Lao government officials and technicians in Thailand.

Japan's inroad into Laos also serves as a bridge to Vietnam and Cambodia. At present, due to an international economic embargo, Tokyo has been unable to resume economic aid to Vietnam and Cambodia. However, with the prospect of improved US-Vietnamese relations together with the prospect of peace in Cambodia, some leniency from international finance institutions to provide lending to Vietnam can be expected. A Thai diplomat said Japan's experience in Laos will be useful when Japan returns in full to Vietnam and Cambodia—which is the last frontier for Japan as far as mainland Southeast Asia is concerned.

Nouhak Phoumsavan's Visit to SRV Outlined

BK3107072990 Vientiane Domestic Service in Lao 1200 GMT 30 Jul 90

["Press release" on the 23-28 July 1990 official friendship visit to the SRV by Nouhak Phoumsavan, chairman of the Supreme People's Assembly of the Lao People's Democratic Republic; date not given]

[Text] At the invitation of Comrade Le Quang Dao, chairman of the SRV National Assembly, Comrade Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] and member of the Lao People's Revolutionary Party [LPRP] Central Committee Political Bureau, paid an official friendship visit to the SRV from 23 to 28 July.

Comrade Nouhak Phoumsavan laid a floral wreath at the Ho Chi Minh Mausoleum and paid respect to the late president there. He visited the house and office of the late president as well as the Ho Chi Minh Museum.

During his visit to the SRV, Comrade Nouhak Phoumsavan paid courtesy calls on Comrade Nguyen Van Linh, general secretary of the Communist Party of Vietnam [CPV] Central Committee, and Comrade Vo Chi Cong, member of the CPV Central Committee Political Bureau and chairman of the SRV State Council. The receptions given to Chairman Nouhak Phoumsavan during the calls were conducted in a warm and intimate atmosphere.

Comrade Le Quang Dao, chairman of the SRV National Assembly and member of the CPV Central Committee, hosted an official banquet in honor of Comrade Nouhak Phoumsavan and his party.

Comrade Nouhak Phoumsavan visited a number of economic and cultural establishments in Hanoi, Ho Chi Minh City, Dong Nai Province, and Vung Tau-Con Dao special zone. Wherever the delegation visited, it was accorded a warm and sincere welcome by the fraternal Vietnamese cadres and people—a gesture which clearly reflected the vigor of the relations of special and pure friendship and close solidarity between the two nations of Vietnam and Laos.

Comrade Le Quang Dao, chairman of the SRV National Assembly, met and held talks with SPA Chairman Nouhak Phoumsavan of the Lao People's Democratic Republic [LPDR]. The two chairmen informed each other of the situation in implementing renovation in Vietnam and Laos in accordance with the resolutions adopted at the Sixth CPV Congress and the seventh, eighth, and ninth resolutions adopted at the plenums of the Fourth LPRP Central Committee. It was reconfirmed during the talks that the renovation line was absolutely correct and has scored some initial achievements, thereby contributing to normalizing the political situation, reducing socioeconomic difficulties, clearly improving the living conditions of the peoples, continually broadening the bilateral relations and cooperation

with the international community, and creating favorable conditions for the implementation and realization of the restructuring policy so that the two countries can strongly march forward.

The two chairmen exchanged views and experiences on the legislative functions and the supervision and inspection of the highest organs of state power with regard to the restructuring and the issue of party leadership of the National Assembly and the SPA as well as the people's councils at various levels with a view to further enhancing the roles of the said organizations in the two countries with every passing day.

The two chairmen exchanged views on the strengthening of cooperation between the SRV National Assembly and the SPA in Laos and certain international and regional issues of mutual interest. The meeting was conducted in an atmosphere of mutual friendship and understanding. The two sides unanimously agreed on all issues raised for discussion.

Comrade Le Quang Dao expressed wholehearted and profound acclamation regarding the great achievements of the multiethnic Lao people under the correct leadership of the majestic LPRP led by respected and beloved Comrade General Secretary Kaysone Phomvihan, scored in the tasks of national defense and national construction as well in the cause of restructuring. On behalf of the National Assembly and the Vietnamese people, Comrade Chairman Le Quang Dao expressed profound and sincere gratitude to the party, the SPA, and the multiethnic Lao people for rendering invaluable support and assistance to the revolutionary cause of the Vietnamese people.

Comrade Nouhak Phoumsavan paid tribute and commendation to and highly assessed the numerous great achievements of the Vietnamese people under the correct leadership of the majestic CPV led by Comrade General Secretary Nguyen Van Linh, scored in the tasks of national defense and national construction and the current task of restructuring. On behalf of the SPA and the multiethnic Lao people, Comrade Nouhak Phoumsavan expressed profound gratitude and thanks to the Vietnamese party, state, and people for making esteemed sacrifices and giving great assistance to the revolutionary cause of the Lao people.

The two chairmen wholeheartedly hailed the great victories scored by the Cambodian people in carrying out the tasks of building and defending their country. They voiced support for the efforts made by the State of Cambodia aimed at resolving the Cambodian problem through reasonable, fair, and correct political means on the basis of respect for the Cambodian people's right to self-determination with a view to building Cambodia into a country of independence, sovereignty, neutrality, and nonalignment.

The two chairmen were very proud to see that the close relations of friendship, special solidarity, and all-around cooperation between the two parties, states, and peoples of Vietnam and Laos have been continually consolidated and strengthened. The two peoples of Vietnam and Laos are determined to work to the best of their abilities to defend and preserve the pure friendship and solidarity between Vietnam and Laos, to increase the comprehensive cooperation between the two countries, and to strengthen the special solidarity between Vietnam and Laos and among Vietnam, Laos, and Cambodia.

The two chairmen expressed satisfaction with the brilliant success of the official friendship visit to the SRV by Comrade Nouhak Phoumsavan. They considered that the visit marked a new step of development in the relations and cooperation between the SRV National Assembly and the LPDR's SPA.

Comrade Nouhak Phoumsavan expressed sincere thanks to the National Assembly and the Vietnamese people for their warm welcome filled with a spirit of fraternal affection. Chairman Nouhak Phoumsavan extended an invitation to Chairman Le Quang Dao to pay an official friendship visit to the LPDR. Chairman Le Quang Dao expressed his thanks and accepted the invitation.

PASASON Comments on Politics in Thailand

BK2707133590 Vientiane Domestic Service in Lao 0000 GMT 27 Jul 90

[PASASON Article: "For Your Information"]

[Text] The Thai House of Representatives recently opened its ordinary session to conduct a no-confidence debate against the government of Prime Minister Chatchai Chunhawan. However, the Thai government has managed to sail smoothly through the storm when it secured a vote of 220 against 38 in its favor from the house.

The vote in support of the government of Prime Minister Chatchai from the Thai House of Representatives has proved that the majority of Thais still support this government and want it to continue to administer the country's affairs. But whether Prime Minister Chatchai will reshuffle his cabinet in order to replace ministers who had been heavily grilled during the censure debate is a matter of speculation and has to be followed.

It is important to note that a number of opposition parties have shown their interest in joining the coalition government. During a recent television interview, a spokesman of the Puangchon Chao Thai Party of Athit Kamlang-ek clearly stated that he wanted his party's leader to join the Chatchai government as defense minister. This person has been known in the past to crave for power. He is also known for his infamous record of causing estrangement in relations between Thailand and its neighbors,

Addressing the House of Representatives on 21 July, Thai Prime Minister General Chatchai Chunhawan confidently said that the policy of turning the Indochina battlefield into a marketplace will be implemented soon,

adding: We have successfully secured cooperation with Laos in this regard, and the goal to turn Cambodia into a marketplace is within our reach. This line of thinking is acceptable to the Thai people and other nations in the region. However, if some groups of individuals or bad elements opposed to this policy join the Chatchai government, they can cause confusion in the policy's implementation.

Philippines

Filipinos Reportedly 'Held Hostage' by Iraq

HK0708084590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Aug 90

[Excerpts] Thousands of foreigners believed to include Filipinos were arrested by Iraqi soldiers in various parts of Kuwait. According to diplomatic sources, some of the foreigners were taken to the Iraqi capital of Baghdad. Earlier, the Philippine Embassy in Baghdad reported that some Filipino workers were arrested by Iraqi soldiers. The workers were employed with the Santa Fe drilling company in Kuwait. However, the same report was denied by Philippine Embassy Spokesman in Kuwait Romeo Etoriaga. In an interview, Etoriaga claimed that the Filipinos in Kuwait were safe and sound. At the time of the Iraqi invasion of Kuwait at dawn on Thursday, there was an estimated 40,000 Filipinos in the tiny emirate. [passage omitted]

Meanwhile, Foreign Affairs Undersecretary Israel Bocobo today confirmed that another group of Filipino workers was being held hostage by Iraqi forces. Details from Rey Arquiza of DZRH No. 21:

[Begin Arquiza recording] Another group of Filipino contract workers employed by an U.S. company were reportedly taken hostage by Iraqi troops. This was confirmed today by Israel Bocobo, assistant secretary for international labor at the Department of Foreign Affairs. However, Bocobo described reports on the arrest of a new group of Filipino expatriates were sketchy and could not give more details on the Filipinos taken hostage by Iraqi soldiers. He also said the he is slated to leave for Saudi Arabia tomorrow in order to oversee the welfare of thousands of contract workers in Kuwait, most of whom would like to leave the country now.

Earlier, a group of Filipino contract workers with the U.S. Santa Fe drilling company, along with some U.S., Canadian, and Indian nationals, were detained by Iraqi troops. Bocobo said that there was still no information on the Filipinos held by Iraqi soldiers, notably the identities of the captives. Meanwhile, 36 Filipinos who crossed the Kuwaiti border and entered Saudi Arabia are expected to leave Saudi Arabia for the Philippines. Their identities remain unknown. According to a report by the Philippine Embassy in Saudi Arabia, many Filipinos are leaving Kuwait by crossing the border into Saudi Arabia. [end recording]

Labor Secretary Torres Bound for Saudi Arabia

HK0708085190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Aug 90

[Text] Labor Secretary Ruben Torres is expected to leave for Saudi Arabia today. According to our latest report, he has departed for the Middle East, where he is to look into the safety of Filipino workers stranded in Iraq. Torres announced that plans for the evacuation of all Filipino workers in that country have been prepared. Torres heads a top-level mission which will examine the ongoing situation in the Middle East notably, in Kuwait, which was invaded by Iraqi troops. He added that all Filipino workers may be evacuated by boat because evacuation by air could cost the government more than 1 billion pesos. According to Torres, domestic helpers deserted by their employers will be the first to be evacuated. Here is an excerpt of the statement by Labor Secretary Ruben Torres:

[Begin Torres recording in English—in progress] ...finalizing preparations for less expensive operations, certainly by sea and not by plane because by airplane, it would be very, very expensive. Our estimate is that we would need 167 flights to get them all back home. Even if we charter planes, it would cost around 1 billion. But if we go by sea, then the estimate of OEA [Overseas Employment Agency], this will be in the vicinity of 100 million pesos. [end recording]

Foreign Ministry: No Reason To 'Provoke' Iraq

HK0708090790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Aug 90

[By Rey Arquiza, DZRH Mobile Unit 21]

[Text] The Philippines announced a position stating it should not align itself with other countries in denouncing Iraq for invading Kuwait, because it needs Iraq's support in resolving its grave problems. The position paper, issued by the Department of Foreign Affairs' Middle East and African Affairs Office, stated that the situation in the Middle East is not yet clear and that there is no reason for the Philippines to provoke Iraq. The Philippines, it said, should stick to its original position which supports a mediation effort by the United Nations to settle the conflict between Iraq and Kuwait by peaceful means. The position paper also said that whatever the result of the invasion by Iraq on Kuwait, the Philippines would still need Iraq and its support for the issues concerning the Moro National Liberation Front, oil, and the thousands of Filipino contract workers in Kuwait.

Aquino Views Possible Left-Right Cease-Fire

HK0608121990 Manila Radio Veritas in Tagalog 0900 GMT 6 Aug 90

[Report on news conference by Philippine President Corazon Aquino with foreign and domestic correspondents at Malacanang Palace—recorded; italicized portions in Tagalog]

[Text] President Corazon Aquino stressed anew that the task force or committee she formed to investigate the

so-called Magallanes shooting incident, where two top Northern Luzon Command officers were killed, should be allowed to conduct its work and submit its findings or recommendations on the incident. The president made the statement today, adding that the committee is expected to submit its findings this coming Friday. She issued the statement following reports that the Constabulary's Judge Advocate's General Office or Jago has created a pretrial panel to investigate the incident. It will be recalled that the committee also nullified murder charges filed by the Criminal Investigations Services against some policemen detailed with the National Bureau of Investigations [NBI] led by Captain Jaylo in connection with the shooting incident.

Let us listen to the president's statement on this issue and other matters at today's news conference:

[Begin recording in English] [Reporter] Good Afternoon, ma'am, Danny Rodriguez of Radyo ng Bayan. Ma'am, a cease-fire between the government and our troops, the ultra-rightists and the ultra-leftists was proposed in the past by some politicians, particularly Congressman Bonifacio Gillego, given the economic effects of the recent earthquake. While you do not completely rule out the possibility that such a cease-fire may be possible, what measures are being undertaken now, carried out by the government, so as not to allow all these elements to take advantage of the situation?

[Aquino] Well uh, first of all, it was not only Congressman Gillego—as you correctly stated—that was been advocating this. Last week, I also received a letter from Senator Tanada, requesting that perhaps this matter of a cease-fire could be looked into and could be given due consideration. So, I have tasked the Cluster E to study this matter, also to, when they are ready, to make their recommendations and perhaps to meet with Senator Tanada and other concerned senators and congressmen.

[Reporter] Follow-up ma'am. I ask this question because over the weekend, there was again, you know, a rumor about the coup. Would you comment on this, ma'am?

[Aquino] Yes, uh, there are rumors again because.... I said the rightist elements had been spreading rumors again and had been circulating some handbills. Uh, this matter was reported to me by General De Villa and so he informed me that all necessary measures were being undertaken in order to ensure or to prevent another coup attempt.

[Reporter] *Good afternoon. While the latest divestment claims against Secretary Concepcion are being investigated, there are some sectors which are asking about your own divestment. Perhaps it would be best at this point if the public knew how you divested and who was the buyer of your shares in Luisita and how much. Perhaps it would serve as a model for other cabinet secretaries and those who wish to enter the government service who may encounter cases of conflicts of interest similar to the case of Secretary Concepcion.*

[Aquino] *Well, regarding the issue on conflict of interest, what I know is that you must be the controlling shareholder in a specific corporation and* that is a necessary ingredient, so to speak, in a matter of conflict of interest. Uh, I will, uh ask my lawyer to give me uh, this report on how my investment was done, divestment was done. But uh, as I said, it is necessary to have a controlling interest in a particular corporation or business enterprise, and also in a corporation or business enterprise doing business directly with the government.

[Reporter] Ma'am follow-up. *Have the cabinet members already submitted their statements of assets and liabilities for 1989?*

[Aquino] *Yes, they did when they submitted their income tax returns.* This was submitted to the office of the executive secretary.

[Reporter] *Because these have not yet been published.*

[Aquino] *They do not have to be published. The only thing that the law states is that they must submit their assets and liabilities statements, which they have already done, and which are then given to the office of the president or care of the executive secretary.*

[Reporter] *Because last year, I remember* you issued a directive to the National Coalition for Transparency to make this statement...

[Aquino] No, no. It is just that the National Coalition for Transparency asked me if they could have copies of the statements. So, I said of course. But I don't think it is part of the law that they have to be published. Of course, if uh, somebody, uh, would like copies of this, I guess that can be attended to.

[Reporter] Over one-half of your Constabulary officers led by Brigadier General Gerardo Flores issued a statement over the weekend denouncing the presidential fact-finding committee's resolution ordering a stop to all investigations pertaining to the July 10 Magallanes incident. Uh, Mrs. President, emotions are understandably high between the military and the NBI. How do you plan to resolve this perceived worsening conflict between the military and the NBI?

[Aquino] Well, first of all, I would like to stress that this is not a controversy between the NBI and the AFP [Armed Forces of the Philippines], but ...[changes thought] in fact the reason why I formed a fact-finding committee headed by Magdangal Elma is precisely to make sure that the investigation is one conducted by very impartial government officials. And over the weekend, the committee issued resolution No. Six, which in effect clarifies resolution No. Five—and maybe I'll just read certain portion: "Be it resolved as it is hereby resolved that resolution No. Five be clarified as it is hereby clarified that said resolution does not prevent

the conduct of military criminal justice proceedings including pretrial of personnel under military jurisdiction."

So, this resolution was done on August 3, 1990 and I understand also that the committee will be concluding its fact-finding investigation by Friday of this week.

[Reporter] Uh, lateral follow-up ma'am. Ma'am, you reportedly met with General De Villa, Secretary Ramos, Secretary Drilon Friday night in your Arlegui residence, uh, presumably about the Magallanes incident. May we know the decisions you have arrived at, as well as the directives you have issued to each of the officials?

[Aquino] Well, first of all, I asked for the uh—there were other people present—and I asked the commitee—the three-member committee—when they would be finished with their proceedings, and I was informed they would be finished by Friday of this week. Also, I made it very clear to everybody that again, as I previously said, the reason I formed this uh, fact-finding committee is because this matter is a very sensitive case and it is important that the people comprising the committee be people of, known for their impartiality and also known, of course, for their integrity and competence. So, this was a matter that I impressed upon everybody. [end recording]

PAF's 10-Year Modernization Program Presented

HK0708023790 Manila MANILA BULLETIN in English 7 Aug 90 pp 1, 19

[By Louie Perez]

[Text] Villamor Air Base—Major. Gen. Gerardo Protacio, Philippine Air Force (PAF) commander, presented before members of Congress yesterday a P62.5-billion [62.5 billion Philippine pesos] PAF 10-year modernization program to improve its air defense capabilities. Protacio stressed the urgent need for the PAF to modernize if it has to be effective as the "guardian of the Philippine skies" during the presentation. Among those present were Sen. Leticia Ramos Shahani, Rep. Vicente Riverea Jr. and Rep. Lorna Verano Yap, and Maj. Gen. Rodolfo Biazon, chairman of the AFP [Armed Forces of the Philippines] Weapons Board.

Protacio observed that except for Brunei, the PAF is lagging behind the other members of Association of Southeast Asian Nations (ASEAN). He noted that the present situation compels the PAF to concentrate its resources in the counter-insurgency campaign instead of its air defense function and a partner in national development. To transform the PAF into what it should be—the Guardian of Philippine Skies—would involve equipment modernization and restructuring of the organization, Protacio said.

According to Protacio, the modernization plan will cover 12 years, including two years for the filing of the appropriate bill in Congress and the approval of the budget to implement it. He explained that it will only be in Year 3 when the PAF will start receiving new equipment and get the modernization plan under way until its completion by year 2001. The proposed changes in the PAF structure include the upgrading of the 100th Training Wing into a command acquisition of multi-role fighter aircraft, improvement and integration of several radar sites, establishment of the Philippine Air Force Academy and the creation of a missile squadron, an air rescue squadron in every Tactical Wing. All this would cost P62.5 billion, Protacio said. The members of Congress expressed their strong support of the PAF modernization program.

Ramos Condemns RAM-SFP Coup Propaganda

HK0708092990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Aug 90

[By Dick Sinchongco]

[Text] Defense Secretary Fidel Ramos strongly condemned the Reform the Armed Forces Movement-Soldiers of the Filipino People [RAM-SFP] for sowing fears of another coup attempt. Ramos stressed that rational people will not support another attempt by any rebel soldiers' group to grab power. Ramos was annoyed by the propaganda campaign by ultra-rightist rebels, who distributed leaflets about another coup attempt supposed to be launched over the previous weekend. According to Ramos:

[Begin Ramos recording in English] At a time like this, there is an earthquake, there is a crisis in the Middle East, the people are concerned here about peace and order and stability, I do not think anybody among the law abiding and right-minded people in our society will support any coup attempt. These are just moves on their part to again create instability and uncertainty. And certainly, they must be condemned for setting out propaganda materials at a time like this.

Now, I think the president's statement was merely to emphasize the preparedness of the Armed Forces of the Philippines, and again awaken the attention of the people to this destructive element in our society, who are commenting on things like this at a time when what is needed is total national unity and contribution to the national undertaking to reconstruct the country. [end recording]

Ramos added that this is not the time to sow unrest, specially after the destruction brought about by the earthquake.

NPA's New 'Pol-Mil' Concept Summarized

HK0608120190 Manila THE MANILA CHRONICLE in English 5 Aug 90 p 9, 14

[By Alex Magno]

[Excerpts] Manila is not about to see a respite from armed clashes between soldiers, policemen and Left-wing rebels. Over the last few months, urban guerrillas of

the New People's Army [NPA] pulled one ambush after another with increasing regularity. Among the casualties of this armed urban campaign were an American colonel serving with the Jusmag [Joint U.S. Military Action Group] and several senior officers of the Philippine military.

A number of explanations have been offered for the apparent determination of the rebels to escalate the urban armed struggle. Some would quickly dismiss the street ambuscades as acts of wanton terror perpetrated by an increasingly desperate political movement. Others surmise that, with the relative decline in the political momentum and influence of the CPP [Communist Party of the Philippines]-NPA, the movement has begun to rely more and more on its competent military apparatus to compensate for weakness in the arena of mass struggles.

A number of discussion papers circulating clandestinely and some recently captured documents suggest that the upsurge in urban guerrilla activity is symptomatic of a dramatic change in the strategic doctrine that guides the action of the communist revolutionary movement. This shift in strategic doctrine opens several political possibilities. At the very least, it indicates that urban guerrilla warfare is not a momentary flirtation and is likely to be sustained by the rebel movement in spite of its costs and even after the recent capture of an important segment of the "sparrow" network in Metro Manila area.

[passage omitted covering Communist Party's strategic doctrines from early sixties to present time]

The major setbacks suffered by the CPP-led movement over the last four years creates a climate conducive to radical criticism of its strategic orthodoxy from within. The decimation of the Party's senior leadership due to arrests over the recent period creates enough space for the emergence of new leaders with bold ideas about how the revolution ought to proceed. A recently captured CPP document titled "Hinggil sa Konseptong Pol-Mil" ["Regarding political-military concept"] tells us that the new strategic doctrine outlined in the Marty Villalobos paper has been adopted as the basic guiding orientation at least among the CPP units in the National Capital Region [NCR].

The documents calls for an even more comprehensive fusion of a?ed and political tactics. It advises armed partisans to develop a clearer grasp of political maneuver and instructs the political cadres to acquaint themselves with the skills and dynamics of revolutionary violence. It criticizes what is perceived to be still a relatively artificial combination of political and military work, specially when political cadres perceive their role to be limited to providing their armed comrades with "hit lists."

Because of the conservatism of some comrades, the document continues, the strengths of the armed units have not been maximized; there have been instances when armed and political initiatives have been uncoordinated. The document also criticizes the failure of armed partisans to properly communicate to a confused public the political content of their actions. The document confirms that the prevailing strategic doctrine follows an insurrectional trajectory. It defines the National Capital Region as a leading arena for the revolutionary struggle and a terrain where the revolutionary mass movement plays the leading role.

The ascendance of "pol-mil" as guiding framework is stated in unmistakable terms: "Ang pol-mil ay ang konkretong pagkokumbina ng pampulitika at pang-militar na pakikibaka. Ibig sabihin, ang dating pulos pampulitikang pakikibaka (hayag at di nasasandatahan) na tanging dala-dala ng buong rebolusyonary-ong puwersa sa NCR ay nararapat nang lakipan ng pang-military (o sandatahan) na paglaban... Sa prosesong ito tinitiyak at inihahanda ng pol-mil ang direksyong insureksyonal ng ating pakikibaka." [The political-military concept is the concrete integration of political and military struggle. In other words, the old strategy of predominantly political struggle (open and unarmed) which fueled the entire revolutionary force in the National Capital Region should include military (or armed) operation.... Through this process, the political-military concept will ensure and prepare the insurrectionary direction of our struggle.]

The "specialization" between the "armed" and the "political" apparatuses of the movement—earlier seen as a source of strength—is now perceived to be a source of weakness. As 1986 clearly demonstrated, the compartmentalization of the revolutionary movement caused it to be less than flexible and allowed crucial political opportunities to pass. The significance of this decisive shift in strategic orientation on the part of the CPP cannot be overstated. With the adoption of an insurrectionary posture, the Left-wing revolutionary movement has clearly moved into a "post-Maoist" phase. The shift in orientation indicates that the revolutionary movement has moved along a more pragmatic—and also more politically flexible—trend. It is a trend dictated not only by doctrinal rethinking but also by a new sense of political realism.

The "protracted people's war" strategy earlier favored by the CPP has reached the limits of its viability. In this age of helicopters and highly mobile fighting units, it not feasible to hold on to secure base areas. AFP [Armed Forces of the Philippines] counter-insurgency operations have taken their toll on many guerrilla fronts. The premise of building up revolutionary forces "where the enemy is weakest" does not hold in the face of modern technologies of war. The format of a "protracted people's war" involves the eventual escalation of the revolutionary armed struggle to positional and conventional warfare. Although it begins with small guerrilla operations, it must, in its later stages, assemble larger formations and confront the "reactionary" army toe-to-toe for control of population and territory. It must eventually develop—and finance—a regular standing army.

To be able to advance the development of the "people's war," the insurgents will require more logistics and "heavy" armament. The present domestic and international situation is not favorable to the CPP's acquisition of the logistics necessary to pursue the "people's war." Over the last few years, the CPP has begun to indulge in "revolutionary taxation" to finance the "people's army." This has backfired politically. Leaders of the NPA have sought foreign support to acquire "heavy" weaponry but to no avail. Given the prospects, the shift to an insurrectionary strategy has probably become unavoidable.

The emphasis on developing forces for a mass uprising lowers the demand for provisions to equip a regular fighting force. It allows the revolutionary movement to skirt around the irresolvable problems of heavy arms procurement and incessant AFP offensives in the country-sides. The insurrectionary strategy requires only the provision of low-grade weapons for selective violence in support of a mass uprising. Given the declining momentum of the revolutionary mass movement and the diminishing possibility of prolonged political polarization such as what occurred during the Marcos dictatorship, the CPP has probably no other option but to aim for a quick and decisive confrontation.

The shift in revolutionary strategy, however, leaves substantial questions unanswered: Is a mass uprising both imminent and viable as a means for comprehensive social change? Do existing conditions favor a decisive confrontation? Will the revolutionary movement be able to effectively govern in the aftermath of a swift transfer of power? The experience of the Sandinistas in Nicaragua tells us that a feasible strategy for the seizure of power is one thing, while an adequate formula for effective governance is another. In El Salvador, Joaquin Villalobos and the FMLN gambled on a war of quick decision. However, the combined "general offensive and general uprising" failed to muster the second wind required to oust the U.S.-supported regime and a prolonged and bloody stalemate set in.

Considering the declining possibility of resolving the stalemate by force of arms, the FMLN has advanced what Villalobos calls "pragmatic proposals for negotiation and de-escalation of the war." The revolutionary movement in El Salvador has called for a broad "national dialogue" to set the stage for a peaceful political settlement of the conflict. In an essay on democratic revolution published last year, Villalobos writes: "Revolutionary movements do not have to subject themselves to any predetermined scheme nor succumb to the pressure of war...revolutionary movements are determined to maintain, peace and achieve development as quickly as possible. Also under new circumstances, movements are permitted to become more flexible and open. We do not view this as concession but rather as a purer expression of the democratic nature of revolutionary changes. For revolutions are essentially democratic...The aim is to create real democracy for the entire people in the economic and political arenas."

In the new term, the CPP's shift in strategy will produce unfortunate spectacles in revolutionary violence such as we have already seen in the streets of Manila. But it is important to emphasize the long-term implications of the revolutionary movement's unhinging from Maoist doctrine. A more pragmatic, more intellectually flexible movement is always more preferable to one burdened with doctrinal fetishes. One can only hope, in this season of great natural calamities and broad economic distress, that Marty Villalobos follows through his close observation of the experiences of other revolutionary movements, and continues to read closely the most recent contemplations of Joaquin Villalobos. While it is unreasonable to plead for peace without justice, Filipino patriots must never give up on the possibility of a just peace.

Nine Communists Killed in Davao del Norte Clash

HK0708023390 Manila MANILA BULLETIN in English 7 Aug 90 p 18

[By Ped Velasco]

[Text] Tagum, Davao del Norte—Nine communist guerrillas, including a commander, and a government militia man were killed while several others in an encounter between government and rebel forces in barangay Limbaan, New Corella town, police authorities reported yesterday. In a report to Lt. Col. Ricardo de Leon, Davao del Norte PC-INP [Philippine Constabulary-Integrated National Police] commander, P/Lt. Nernanito Perez, New Corella police chief, identified the slain rebel chieftain as Vicente Olita alias Kumander Enteng.

Olita was a front guerrilla unit leader of the New People's Army (NPA) operating in four towns in this province at the time they were killed in a clash early last week. The slain militia man was identified as Julito Antolin, a member of the local Civilian Volunteer Organization (CVO) in New Corella. The body of Olita was recovered by the government troopers while seven of the bodies of the rebels were carried away by their companions when they withdrew.

The wounded municipal councilor, who was also a CVO member, was identified as Jose Federiso. The other wounded CVOs were Efren Galang, Antonio Luayon, Julio Henson, Boboy Pedillage, and a certain Molido. A wounded rebel who was captured was identified as Roel Baguat, a regional member of the front guerrilla unit of the NPA. All the wounded were brought to the Davao Regional Hospital. Perez said the government troops, including the CVO members and backed up by elements of the 64th Infantry Battalion, were on combat patrol when they encountered the band of NPA rebels. A 30-minute firefight ensued. Recovered at the scene were M-16 armalite rifles, and a grenade launcher belonging to the slain NPA commander.

Four NPA Rebels Killed in Socorro Encounter

HK0708023590 Manila MANILA BULLETIN in English 7 Aug 90 p 8

[By Owen Masaganda]

[Text] Camp Vicente Lim, Laguna—Four suspected New People's Army (NPA) rebels were killed yesterday in a clash with PC [Philippine Constabulary] soldiers in Socorro, Mindoro Oriental. Meanwhile, a cave hideout of the suspected NPA killers of four members of the 403rd Constabulary highway patrol group was discovered by elements of 231st PC company under Capt. Marcelo Garbo Jr. in barangay Malicboky, Pagbilao, Quezon. Lt. Col. Edgardo Aquino, Mindoro Oriental PC-INP [Integrated National Police] chief, informed Brig. Gen. Evaristo G. Carino, Recom 4 PC-INP chief, that elements of 262nd PC company encountered 30 heavily armed NPA in barangay Fortuna, Socoro, Mindoro Oriental. Four of the rebels were killed in the ensuing gunfight which lasted for 20 minutes.

Colonel Aquino identified the slain rebels as Arnel Marasigan, alias "Ka [Comrade] Remy," said to be the leader of the NPA band; "Ka Rocky," "Ka Rudy," and "Ka Marlon." Aquino said the group of Marasigan was responsible for the ambush last year of Lt. Col. Romulo Decena, deputy PC-INP chief, in Oriental Mindoro. Taken from the scene of the encounter were lone M-16 Armalite rifle, one Thompson submachinegun, two 12-gauge shotguns, and several rounds of ammunition. Colonel Aquino said one of his men, C2C Carlito Olivas was seriously wounded in the clash and was airlifted to the AFP [Armed Forces of the Philippines] Medical Center in Quezon City.

In Quezon, Captain Garbo informed Lt. Col. Rex Piad. Quezon PC-INP chief, that his team captured a cave that served as the meeting place of the NPA. Garbo said several high-powered firearms and hand guns were seized. The cave also served as hospital of the NPA where some rebels who were shot and wounded by CHPG [Constabulary Highway Patrol Group] men Friday were given first aid. Colonel Piad ordered his men to look for some wounded rebels who were reportedly admitted in private hospitals under fictitious names.

Army Accused of 4 Aug Cotabato Killings

HK0708023990 Manila MANILA BULLETIN in English 7 Aug 90 pp 1, 18

[By T. P. Rimando]

[Text] Cotabato City—At least 19 members of a prominent Maguindanaon family in sultan Kudarat were massacred by Army soldiers last Saturday [4 Aug] in barangay New Passi, Tacurong town, allegedly in retaliation for the slaying of two troopers by a clan member. A police report received here yesterday said the victims included a pregnant woman and six children, from one to 13 years old. The report identified the fatalities as Kabagal Manindiala, 72, a Muslim leader in the mountain village; his wife Gadang, 68, brother Kalong, 70, sister-in-law Amelia, 58, sister Kulat, 55, son Kamlong, 32, daughter-in-lar Palalampakan, 30, who was six months pregnant, nephews Pangandaman, 30, Dido, 19, Gani, 30, and Sambato, 29, and nieces Salimpinang, 34, and Zacana, 29. The slain children were listed as Mama, 13, Limdang, 10, Ketong, 4, Juny, 3, Unting, 2, and Babay, 1, all grandchildren of Kabagal.

A separate report made by the Commission on Human Rights (CHR) regional office here said the massacre was perpetrated by soldiers allegedly from the Army's 38th Infantry Battalion moments after two of its members were reportedly gunned down by Kamlong, a suspected member of the Moro National Liberation Front (MNLF). Kamlong, reportedly using a homemade 12-gauge shotgun, killed the two soldiers—Cpl. Alejandro Amelista and a certain Pfc. Kase—when they, together with several other government troopers, entered his house to arrest him for being an alleged Muslim rebel.

The other soldiers shot dead Kamlong when he attempted to escape, according to witnesses interviewed by lawyer Ciricaco Jabido, CHR regional director, who visited the massacre scene last Sunday. Witnesses, who asked not to be identified, informed Jabido that the soldiers forced out Kamlong's parents, wife, children, sisters, brothers, and other relatives from their houses. They were reportedly taken to Kamlong's yard where they were later executed, witnesses said. All died on the spot. Jabido said the soldiers also burned the victims' houses before they left the area. The Manila Bulletin tried to contact the commanding officer of the 38th infantry battalion for the military side on the incident but failed.

Two Suspects in Teves' Killing Identified

HK0708055190 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 7 Aug 90

[Text] Two suspects in the slaying of Antonio Teves, police general and deputy regional director for operation of the INP [Integrated National Police] in region 11, have already been identified. Teves was shot and killed by several unidentified armed men yesterday at Quirino Avenue, Davao city. One of the suspects who was immediately captured yesterday was identified as Expedito Pakit, driver of the Ford Sierra used by the killers. Meanwhile, the second suspect, Wilfredo Dandoy, was identified by Pakit and is currently being hunted down by the authorities. The details from Jim Belasano:

[Begin Belasano recording] In a report by the 11th Criminal Investigation Service [CIS] to the PC-INP [Philippine Constabulary-Integrated National Police] chief, Major General Cesar Nazareno, it is known that the event was witnessed by several bystanders present at the scene of the crime, who then gave information on what they had seen.

According to eyewitness reports, there were four very young men armed with .45 caliber guns. In follow-up operations by the CIS, [words indistinct] resulted in the recovery of the Ford Sierra used by the suspects at the corner of Plata and Mabini streets. In addition, the CIS also said in its report to Nazareno, that the (Edilberto Jaquar Command), a counterpart of the Alex Boncayao Brigade in Metro Manila, had become active once more in sowing chaos in the said city as a result of the inactivity of the Alsa Masa [People's Uprising]. [end recording]

ICO 'Definitely' Excludes MNLF From Agenda

HK0608095390 Manila THE MANILA CHRONICLE in English 5 Aug 90 p 1

[By Cherry Velarde and Bert Castro]

[Text] The government and local Muslim leaders have agreed that the Iraq-Kuwait war has stalled the membership bid of the Moro National Liberation Front (MNLF) in the Organization of Islamic Conference (OIC) [ICO] Foreign Secretary Raul Manglapus said yesterday that "the OIC had definitely decided not to include the MNLF question in its agenda." Last Friday, local Muslim leaders said the MNLF's bid for full membership in the OIC remained stalled because of extended deliberations on the current Iraq-Kuwait strife.

Manglapus said the OIC meeting in Cairo, broke up without discussion of the items on its agenda, including the MNLF application for full membership. Manglapus said this can be attributed to the "tension generated by the war." However, MNLF chairman Nur Misuari, in a taped speech before he left for the 19th OIC Foreign Ministers' meeting on Thursday and played before the media on Friday, expressed confidence in getting a confirmation after the MNLF's status as a plain observer for a decade.

The Muslim Mindanao problem is 38th on the 68-point agenda in the meeting. The committee tackling the issue inlcudes Saudi Arabia, Libya, Senegal and Somalia. Muslim leaders here said the current Middle East crisis would likely extend the meeting's deliberations but would not have direct bearing on the Mindanao issue. Misuari and other Muslim leaders headed by Almarim Tillah, president of the Bangsamoro National Congress, said they were demanding OIC membership for the Muslims in the country through MNLF representation because it is their "sacred right."

They added it is also in accordance with the implementation of the 1976 Tripoli Agreement honoring the Muslim states' right to self-determination. "Considering the failure of the peace process and the difficulty of opening it, the MNLF can only but carry out its master plan in pursuing the sacred cause of the jihad. We are demanding once and for all for full membership at OIC," Misuari said in his speech. He added his group had deferred seeking full membership earlier, despite strong support from OIC delegates in the past because they were waiting for President Aquino to fully implement the Tripoli Agreement, which the Government allegedly failed to do and even violated with the creation of the autonomous region.

"They (past delegates) have already issued a resolution calling for a new strategic solution to the Bangsamoro problem. I believe we will not have difficulties because they have fully supported our bid for self-determination. They need only to declare the acceptance of our bid," he said. Tillah added that the OIC membership would do "enormous good" to the Muslim people and it would recognize their right to manage local affairs. The leaders said the autonomous region comprising four Muslim provinces is not representative of the Muslim community in the country. "We are urging President Aquino to implement the Tripoli Agreement in actuality because the moderates among us are getting radicalized," Tillah said. However, he said even Misuari who advocated armed conflict in the past had called for more patience.

Earthquake Does Not Affect 1991 Budget

HK0608095990 Manila THE MANILA CHRONICLE in English 5 Aug 90 p 1

[By Maritess Paez]

[Text] The 1991 budget of P[peso]301 billion approved by the Cabinet will not be increased, despite the unexpected and massive cost of reconstruction brought about by the July 16 earthquake, Budget Secretary Guillermo Carague said yesterday. Instead, he said, the Executive would revise projects to give more priority to quake-affected areas, most of them in Luzon. The proposed national budget, which projects a total public-sector deficit of P32.2 billion, will be submitted to Congress for approval sometime next week, along with the President's budget message to the legislature.

Rep. Rolando Andaya (Camarines Sur), chairman of the House appropriations committee, said he expected Malacanang to ask for a budget higher than originally planned because of the devastation wrought by the July 16 earthquake and the imminent increase in oil prices triggered by Iraq's invasion of Kuwait. Andaya did not categorically state if the House would reject any new addition to the budget as approved by the Cabinet several weeks ago. But he said that the House leaders, led by Speaker Ramon Mitra, had decided to cut on government expenses by reducing departments and trimming the bureaucracy.

Andaya also said that the various oversight subcommittees would "minutely review" the budget proposal of each department with an eye on merging overlapping programs and abolishing irrelevant projects. He added that the Speaker and other House members would move for a lower budget deficit in 1991 by including in the budget some provisions directing Malacanang to improve its tax collection and increase its revenues without resorting to new taxes. Andaya said it would be

"highly unlikely" that the House would approve the new tax measures proposed by Malacanang to cover its deficit next year.

Mitra and Rep. Hernando Perez (Batangas), chairman of the Ways and Means Committee, had said that they would oppose any tax proposal. They have, instead, urged the Executive to speed up the sale of properties held by the Assets Privatization Trust and certain government-owned or controlled corporations. Earlier, Carague said the government was prepared to incur a larger deficit to finance the rehabilitation and reconstruction of areas destroyed by the quake.

He explained that the P10 billion emergency earthquake relief fund, which was a special appropriation, would mean "additional expenditures for government" and "implies a corresponding increase in deficit spending." Carague said the Presidential Task Force on Rehabilitation headed by Presidential Coordinating Secretary Jose de Jesus would play a major role in identifying which projects would push through or be postponed. The budget department earlier said P247.4 billion of the P301 billion budget would be used for fiscal items, and the rest would be used to finance non-fiscal transactions such as the servicing of assumed liabilities, debt reduction programs, interest payments on open market support transactions and the Oil Price Stabilization Fund subsidy.

Thailand

Coverage of Iraq-Kuwait Situation Continues

Kuwaiti Embassy Security Increased

BK0708012590 Bangkok THE NATION in English 7 Aug 90 p 3

[Text] Police have stepped up security at the Kuwaiti Embassy and airline office in Bangkok at the request of Kuwaiti diplomats who said they had received a bomb threat, Police Director General Sawaeng Thirasawat said.

Pol Gen [Police General] Sawaeng said yesterday he had ordered increased protection at the embassy and the Kuwait Airways' office on Rajdamri Road and at the Don Muang airport, which had previously been manned with two officers each. "We have dispatched more security personnel at the request of the Kuwaiti Embassy and the Kuwait Airways," the police chief said. Uniformed and plainclothes policemen will provide protection around the clock to the embassy and the airline offices, he said. The security beef-up will remain in force until the situation improves, Sawaeng said.

Sawaeng said security at other embassies in Bangkok would also be intensified following the invasion by Iraqi forces, which captured the capital city of Kuwait City hours after the predawn action early Thursday morning.

Ambassadors Discuss Workers

BK0608151590 Bangkok Voice of Free Asia in Thai 1030 GMT 6 Aug 90

[Text] His Excellency Muni Shibab Ahmad al-Batha'i, Iraqi ambassador to Thailand, met the ambassador attached to the Foreign Ministry, Kopsak Chutikun, at the ministry at 1430 today. Ambassador Kopsak reported to newsmen afterwards that the Iraqi ambassador discussed with him protection for Thai workers in Iraq and Kuwait.

Ambassador Kopsak said he told the Iraqi ambassador that the Thai embassy in Iraq was unable to contact the Foreign Ministry for three days, until 4 August when it managed to send messages via the teleprinter service of the embassy of a friendly country to Bangkok via Riyadh. From the messages received, there was a report that a Thai worker was hit and killed by gunfire near the Kuwait-Iraq border on 2 August when the fighting erupted. The Foreign Ministry is checking the report for confirmation although it would not be able to conduct an autopsy because the area is off-limits. There was also a report saying that 26 Thai workers of the (Reah Agregate) Company, which is located near the Kuwait-Iraq border, were taken by the Iraqi troops on 2 and 3 August. The Foreign Ministry therefore asked the Iraqi ambassador to check on the accuracy of this report.

There was also a report that another group of 170 Thai workers, hired by the South Korean Hyundai Company, was captured by Iraqi troops. Another report said that a group of 50 Thai workers who worked at a site near the international airport were seized by Iraqi troops. Finally, eight Thai workers were reported stranded on the tower in the center of Kuwait's capital. Ambassador Kopsak said he asked the Iraqi ambassador to check the accuracy of those reports for Thailand.

The Iraqi ambassador said that his country would do its best to protect Thai workers both in Iraq and Kuwait. He said Thailand is a good friend of Iraq and that Thai workers are in his country to help Iraq achieve national development. He confirmed what had already been stated to the Thai ambassador in Baghdad—that Iraq would do its best to protect Thai workers in Iraq as well as in Kuwait.

The Iraqi ambassador said that Iraq had completed the first phase of the withdrawal of its forces yesterday, and would continue its withdrawal today. Iraqi forces would be moved back into Iraqi territory close to the Kuwaiti border. Anyway, Iraqi troops would return to Kuwait if there were any attempt to topple the new government in Kuwait. However, the situation in Kuwait was reportedly calm with the curfew being lifted. The people in Kuwait left their homes to buy food.

Meanwhile, Suphot Thirakaosai, chief of the section for protection of security and interests of the Thai workers abroad in the Foreign Ministry, reported that on 2 August, Iraqi soldiers fired on six trucks belonging to the

Overland Transport Company of Kuwait. The truck drivers were reported to be Thai workers. Two trucks were damaged, but six of the drivers were reported safe. They are now staying at the (Bilfinger Company), which is about 50 km away from the Iraqi town of Basra. They are being looked after by a Thai nurse of the Star Pack Company, Butsakon Panyahom. The Thai workers are: Somchai Ruangsiriwatthanakun, Somnuk Thieukasikon, Kowit Piyabut, Prathin Komonsin, Samran Suwannasaeng and Bunrat Panyakham.

Chatchai Views Stock Plunge

BK0608153190 Bangkok Domestic Service in Thai 1200 GMT 6 Aug 90

[Text] Commenting on the sharp plunge in the stock prices because of the situation in the Middle East, Prime Minister General Chatchai Chunhawan told reporters at government house this afternoon that stock prices could fluctuate since there is a conflict between Iraq and Kuwait. The fighting between the two countries can have an impact on stock trading. However, he has instructed the Finance Ministry to look after the situation. He thought that there should be no big problem. The stock index [Securities Exchange of Thailand index] dropped by about 93 points today.

Regarding the news reports that some Thai workers were injured during the fighting in Kuwait, the prime minister said that according to a report, one Thai worker was wounded, but the severity of his injury cannot be confirmed.

The prime minister thought that the fighting between the two countries would not drag on because they are small countries. If the fighting is dangerous for the Thai workers, we will have to take them home as soon as possible.

Asked about the recognition of the new Kuwaiti government, the prime minister said that we had not yet recognized the new Kuwaiti government. He said that most countries also have not recognized it; this might be because many of them still do not know about the new government because they are far away from that country.

Editorial Discusses Oil Prices

BK0408062890 Bangkok THE NATION in English 4 Aug 90 p 8

[Editorial: "No More Cheap Oil"]

[Text] The SET [Securities Exchange of Thailand] index in the Thai stock market plunged nearly 32 points or about 2.8 percent yesterday as a direct result of the Iraqi invasion of Kuwait. Longer-term impacts from the crisis in the Persian Gulf will follow as further oil price hikes are inevitable. Thailand, whose petroleum consumption (which averaged 480,330 barrels a day) incerased by nearly 15 percent during the first half of this year, will have to adjust itself quickly as the days of cheap fossil fuel are clearly over.

Thailand derives about 75 percent of its petroleum supply from overseas; domestic crude oil and natural gas account for only about 25 percent of the supply. About 55 percent of imported petroleum supplies are crude oil; the rest are made up of finished oil products, mostly diesel.

During the first half of this year, Thailand imported an average of 211,600 barrels of crude a day, 70 percent of which came from the Gulf region, the rest from nearby ASEAN oil producers. Any disruption to the oil supply from the Gulf will hit Thailand directly.

If the Iraqi invasion does not lead to a larger war, the oil supply probably will not be affected. The United States, which derives about 25 percent of its oil imports from the Gulf, certainly will use military force to keep the oil supply following. It is also in Iraq's interest to avoid provoking a direct military confrontation with the United States and to continue exporting oil—at higher prices.

OPEC last week already agreed, following strong prodding from Iraq, to reduce the production quota ceiling to 22.5 million barrels a day and to increase the price to US $21 a barrel. As a result of the Iraqi occupation of Kuwait, Saudi Arabia, which shares a long border with Iraq, is no longer in a position to offend Iraq by exceeding its production quota or undercutting the OPEC price.

Baghdad says OPEC should be able to force the price to rise to US$25 a barrel this year and perhaps to US$30 next year. This appeared rather far-fetched last week as the oil prices were still below US$18 and the 13 OPEC members collectively have had a poor record of keeping their gentlemen's agreements or observing production quotas. The Iraqi invasion of Kuwait immediately showed that Baghdad was indeed serious about driving up oil prices. Prices in oil futures exceeded US$23 a barrel yesterday and the trend is one of rising prices. Most experts foresee that prices will rise to around US$24 and stay there until next year.

In Thailand, the Oil Fund, a mechanism for retail oil price stabilization, was set to keep retail prices at their present levels so long as the crude oil price does not exceed US$20 a barrel. By the end of last month, the Oil Fund had about Bt [Baht] 2.6 billion in reserve as the government was able to collect a surcharge from oil importers benefiting from the low crude oil prices. But the relatively cheaper oil supply will run out in about a month's time. After that the Oil Fund will have to pay out about Bt230 million a month for every dollar of price increase over US$20 a barrel. If the price rises to US$23, the Oil Fund's existing reserves will be wiped out in less than four months.

This is why a price hike of retail oil products, especially premium gasoline, is necessary. Yesterday's adjustment to the oil pricing formula may prolong the life of the Oil

Fund. But sooner or later the government and oil consumers in Thailand will have to face the reality of high oil prices.

Prime Minister Gen [General] Chatchai Chunhawan and PM's [Prime Minister's] Office Minister Kon Thapharangsi are still optimistic that oil prices may soon fall, perhaps to below US$20 a barrel again soon. But this is unrealistic in light of what has just happened in Kuwait and the advent of winter in most parts of the world.

Thailand's rapid expansion of its industrial and service sectors is largely responsible for the 15 percent increase in petroleum consumption this year. The chronic traffic congestion in Bangkok and growing use of electricity in urban households is also causing this energy demands and waste.

Initially the economic growth rate of Thailand this year was estimated at over 10 percent. The oil price hikes will likely slow down the expansion rate and at the same time fuel inflation and push up interest rates. Japan and West Gewrmany, the two major economic powers that rely heavily on crude oil imports, already saw their currencies depreciated against the dollars.

Premier Chatchai likes to say that Thailand was "lucky" the oil prices had stayed low during the past few years when the country experienced spectacularly high rates of economic growth. Now Thailand with have to learn to live with much higher oil prices. The adjustment must begin immediately as we cannot count on good luck to carry us through this time.

Alternative Oil Sources Sought

BK0408041390 Bangkok THE NATION in English 4 Aug 90 p 2

[By Sam-ang Wutthisaksathit]

[Text] Thailand is looking for alternative sources of crude imports following the disruption of oil supplies from Kuwait, which accounts for about 10 per cent of the country's total crude imports, Petroleum Authority of Thailand [PTT] Governor Dr Anat Aphaphirom said yesterday.

Anat told a news conference that PTT imported about 20,000 barrels of Kuwaiti crude a day in addition to about 8,000 barrels of bunker oil under a supply contract due to expire in December. Six shipments of crude oil and bunker oil are supposed to be delivered by Kuwait under the contract, he said.

The latest shipment of about 650,000 barrels of crude, which was due to arrive August 5-7, was cancelled as a result of Iraq's invasion of Kuwait on Thursday, he said.

The crude oil from Kuwait is supplied to the PTT Bangchak and Thai Oil Co Ltd oil refineries, Anat said. The third refinery in Thailand is the Esso refinery.

The PTT governor said Thailand was in no hurry to seek supply contracts with other oil producing countries because the present oil prices are "too fluctuating." "The prices are now not very stable," he said.

The crude prices on the world market jumped in two days from US$18-19 per barrel to the present level of US$22 as a result of the Gulf crisis, he said. Anat described the jump as a psychological response to news about the Iraqi invasion, and not really a change in the suppy and demand of crude oil on the world market.

The governor admitted that the present price was high and that the consequences on Thailand would be dire if the prices rose further or even stayed at the present level. But he struck an optimistic note on the prospects of crude prices and supply.

The worst-case scenario is the escalation of the crisis in the Middle East resulting in a blockade of sea routes from the Gulf, which produces a total of about 13.4 million barrels of crude every day and accounts for about 44 per cent of the world's total output. But Anat said he did not think that would happen. "The United States and Japan, which are the world's major consumers of crude won't let that happen," he said.

But what if it did happen?

"Thailand sill has a reserve of crude oil which can last 32 days with a total disruption of oil supply," Anat said.

The war may work out otherwise, said Anat who cited as an example the Iraq-Iran war which lasted eight years in the 1980s. Instead of raising crude prices, the war prompted an oil glut resulting from overproduction by the Organization of Petroleum Exporting Countries (OPEC). Oil prices in the Middle East dropped, he said.

He said he believed the present price was attractive enough for oil producers to increase supplies, therefore weakening prices in the near future. "The market system of supply and demand will adjust the prices," he predicted.

If crude prices remain at the current price of US$22, Anat said the government will have to pay Bt [Baht] 460 million a month from the Oil Fund to sustain the present domestic retail prices of oil products, he said. But in this scenario, which he described as unlikely, the Oil Fund will be used up in about six months, he said. The Fund amounts to about Bt2.6 billion now.

"It's fortunate that Thailand still controls domestic oil prices, that we have not floated the retail oil prices," he said. He was hinting that the government may have to delay its plan to gradually float domestic prices if prices continue to stay high.

Because of price controls, the drastic rise in world crude prices have not led to domestic oil hoarding, he said.

Thailand now imports a total of about 85,000 barrels of crude oil a day, of which about 70 per cent comes from the Middle East. The remaining 30 per cent comes from the Far East, mainly Indonesia, Malaysia and Brunei.

Need for Military Self-Reliance

BK0508092490 Bangkok BAN MUANG in Thai 5 Aug 90 p 5

["Ta Molo" column titled: "Iraq-Kuwait War—An Event Where the Giant Crushes Jack"]

[Excerpt] [passage omitted] The Persian Gulf war between Iraq and Kuwait—an event where "the giant crushes Jack"—has very little impact on Thailand. However, what Thailand should learn from the Iraqi invasion of Kuwait is that a big country can crush a small country very easily anytime and a small country should never expect any help from a big country.

Kuwait and the United States have just recently completed their joint military exercise. Literally speaking, the gunsmoke had not yet disappeared when Iraq began invading Kuwait. The United States just could not help. The reason is that no one ever wants to put himself into trouble.

Therefore, a small country must be prepared to depend on itself. It should set aside a budget to improve its military strength. It must always be cautious.

Papers View 'Invasion'

BK0408131590

[Editorial Report] Two Thai-language dailies, MATICHON and SIAM RAT on 3 and 4 August carry three editorials on the Iraqi invasion of Kuwait.

MATICHON on page 8 of its 3 August issue publishes an 800-word editorial entitled "Iraq and Kuwait." The editorial criticizes Iraq for using its military advantage to bully the much smaller country of Kuwait. It contrasts Kuwait's total population of only 1.7 million with only 20,000 military troops with Iraq's population of 16 million with a million troops.

The editorial points out that, despite various claims and charges Iraq has made against Kuwait, there might be another motivation for the invasion. Iraq may have suffered grave financial losses during its war with Iran, which lasted about a decade, and may thus bear a heavy burden of servicing a huge foreign debt and reconstructing its economy.

"The Iraqi invasion of Kuwait is a serious violation of the United Nations Charter. No country, big or small, has any right to seize or occupy any other country," the paper notes. It says countries should settle any dispute through peaceful negotiations.

"Therefore, the international community should press Iraq to unconditionally withdraw all of its troops from Kuwait. Iraq must hold peaceful negotiations with Kuwait in order to settle their dispute. If all the countries remain idle, taking no action on it, it will then be akin to tearing down the UN Charter," concludes the paper.

On 4 August, MATICHON carries another 800-word editorial on page 8 entitled: "For the Peaceful World." The paper says: "Under the present circumstances, the action that the international community would most likely take against the aggressor Iraq is to implement various kinds of measures short of war. The United States and its allies and the Soviet Union have announced different measures to press Iraq to pull out all of its troops from Kuwait. The measures include economic sanctions, refusing to buy oil from Iraq, halting arms sales to the country, and diplomatic and political pressure. How effective these measures will be is still questionable."

The paper says the Iraqi invasion shows the aggressive nature of its President Saddam Husayn. It also points out that in its history, Iraq has had conflicts with all of its neighbors—Iran, Syria, Saudi Arabia, Turkey, and Kuwait.

"For the small invaded country like Kuwait, its fate now relies on attention from the international community which has to put heavy pressure on Iraq so that it will withdraw all of its forces from Kuwait," concludes the editorial.

The 400-word editorial in the 4 August issue of SIAM RAT entitled: "The World Condemns," says that the Iraq's claim that it invaded Kuwait on 2 August in order to help a group of revolutionaries to overthrow the Kuwaiti Government is unacceptable. It says several countries have used this kind of tactic before. The United States used it when it entered the war in Vietnam, the Soviet Union when sending forces to seize Afghanistan, and Vietnam when sending troops to occupy Cambodia. They all set up puppet governments, and they all were condemned by the world.

The paper stresses that after the United States has issued a statement strongly condemning the Iraqi invasion, the Soviet Union has demanded that Iraq immediately withdraw all its troops from Kuwait, and the United Nations Security Council has announced a serious condemnation of Iraq's invasion, Iraq would not be able to run counter to the international trend for long. It adds that the Thai Government should quickly try to help its workers now located in Kuwait.

"However, we firmly believe that Iraq would not be able to run counter to the public opinion of the world, which is condemning it, for long. The world today is not the world of isolation, and not the world of use of power. It is no longer the world of military confrontation but is the world of peaceful coexistence and settlement of conflict through peaceful negotiations," concludes the paper.

Radio Program Transmitted to Middle East

BK0608152390 Bangkok MATICHON in Thai 6 Aug 90 p 2

[Text] Somphong Faichampa, director general of the Foreign Ministry's Information Department, told

reporters that the Foreign Ministry and the Public Relations Department have cooperated to transmit a shortwave program to the Middle East under the title: "The Program for Thai Workers in the Middle East." The program will be broadcast on the frequency of 9.655 MHz to Saudi Arabia, Kuwait, and the United Arab Emirates from 2200 to 2230, or 1800 to 1830 Middle East time, on every Tuesday, Thursday, and Saturday.

Somphong said that the programs will contain news about Thailand, a program for health, an entertainment program, and a program answering listeners' letters. The first broadcast will begin on 12 August, which marks Her Majesty the Queen's birthday.

The plan to broadcast this shortwave program was conceived after the visit to the Middle East early this year by Deputy Foreign Minister Second Lieutenant Praphat Limpaphan. Praphat thought that there should be a radio program for the 200,000 Thai workers in the Middle East so that they can know the news about Thailand and that they will not feel being far away from home.

'Drastic Action' Urged on Patent Violations

BK3007103590 Bangkok MATICHON in Thai 30 Jul 90 p 4

[Text] A source at the Commerce Ministry disclosed that Thailand has been placed on a list by the United States as one of ten countries which has violated intellectual property rights. The United States suffered a loss of 30 billion baht, or U.S. $1.3 billion, from damages caused by these ten countries. Damages caused by Thailand alone amounted to 1.5 billion baht. U.S. authorities have filed lawsuits against Thailand over these violations and have been urging Thailand to take steps to improve the situation. Talks on this were held during Prime Minister General Chatchai Chunhawan's recent visit to the United States.

The United States indicated that these violations of intellectual property rights by Thailand caused U.S. $10 million in losses from sales of tapes, about U.S. $16 million in films, about U.S. $20 million in books, and about U.S. $15 million in computer software. Altogether the losses amounted to 1.5 billion baht in the past year, a large increase compared with an average loss of about 182 million baht five years ago.

The source said that the Commerce Ministry has sent a letter to the Interior Ministry asking it to take drastic action against these violations. The Commerce Ministry indicated in the note that the problem of imitations and violations of patents by Thailand has become very serious. Some influential people in business circles are behaving like mafia and are responsible for the worsening problem. The situation has affected the marketing of legitimate products in Thailand. The Commerce Ministry called for drastic action to weed out the sources of this existing problem.

Commerce Ministry Studies East European Market

BK3007095390 Bangkok Domestic Service in English 0000 GMT 30 Jul 90

[Text] The Commerce Ministry formed a working group to study political, economic, financial, and marketing changes in Eastern Europe in order to observe ways for Thai exports to penetrate countries in the region. Director General of the Exports Promotion Department Chalo Fuang-arom said that apart from the appointment of the working group, the ministry plans to participate in a series of international trade fairs in that region with a view to publicizing Thai goods among Eastern European consumers. These fairs include one in Hungary in September, another one in the Soviet Union in January next year, and several other events scheduled for next year. Besides, a number of Thai trade delegations will also be dispatched to the region on the same purpose.

Mr. Chalo also indicated that the ministry will invite Eastern European countries' trade attaches stationed in Thailand to a meeting with Thai exporters to help provide information useful to the decision of the Thai businessmen and the formulation of a trade direction with those countries.

Soldiers Reportedly Repulse 800 Khun Sa Troops

BK0508020890 Bangkok THE NATION in English 5 Aug 90 p 2

[Text] Chiang Mai—Thai soldiers yesterday repulsed about 800 troops loyal to drug kingpin Khun Sa who briefly seized a strategic mountain pass located about one kilometre from the Thai-Burmese border in this northern province, military sources said.

The sources said Khun Sa's Maung Tai troops crossed the border into Thailand early yesterday morning, clashed with a contingent of their rival Wa army, and dug in at Doi Huai Ha in Mae Ai district. The fighting between the two Burmese ethnic minority forces, armed with mortar shells and grenade launchers, caused damages to a nearby Thai village. No casualties were reported by both forces and Thai villagers, the sources said.

Fifty Thai soldiers who were despatched to Doi Huai Ha yesterday afternoon managed to dislodge both Khun Sa and Wa troops in three hours, the sources added.

The two ethnic minority forces have been engaged in bitter rivalry over a drug trafficking route from Burma into Thailand during the past few years. Burma is now the world's major supplier of opium poppy and production source of heroin, which is usually smuggled through Thailand to Western countries.

Khun Sa, who is believed to command a 6,000-man private army, has been wanted by Thai and US courts for many drug trafficking charges. The drug warlord claimed that income generated by the heroin trade is necessary to fund his fight against the Rangoon government for the greater autonomy of the Shan State.

Vietnam

Hanoi Reports Meeting With United States

BK0708121590 Hanoi Domestic Service in Vietnamese 1100 GMT 7 Aug 90

[Text] The first official Vietnamese-U.S. meeting on the Cambodian issue took place on 6 August at the office of the Vietnamese representative at the United Nations in New York. Taking part in the meeting were Ambassador Trinh Xuan Lang, head of our country's representation at the United Nations, and Mr. Kenneth Quinn, deputy assistant to the U.S. secretary of state.

The meeting lasted three and a half hours, during which both sides focused their attention on key issues related to an overall political solution to the Cambodian issue, including the guarantee of the Cambodian people's right to self-determination through truly free and fair elections, the restoration of peace and prevention of the Khmer Rouge's return to power in Cambodia, the mechanism of power in Cambodia during the transitional period, the role of the UN, and Cambodia's neutrality in the future.

Speaking with journalists and radio and television correspondents after the meeting, Ambassador Trinh Xuan Lang disclosed that the meeting had taken place in a serious, constructive, and cooperative atmosphere. The ambassador stressed that the meeting had been very useful and had helped promote the mutual understanding between Vietnam and the United States in the various issues discussed.

This is a good initial step. The Vietnamese side believes that it is necessary to maintain and encourage this mood and the results scored at this first meeting. Both sides believe this is a good chance to work toward an early solution to the Cambodian issue, and unanimously agreed to continue their talks. The timetable and location of the talks will be announced later.

Cooperation Agreement Signed With Iraq 30 Jul

BK0208161090 Hanoi VNA in English 1508 GMT 2 Aug 90

[Text] Hanoi VNA August 2—A cultural, scientific, and educational cooperation program for the 1990-92 period between Vietnam and Iraq was signed in Baghdad on July 30 by the Vietnamese ambassador to Iraq and an Iraqi deputy minister of higher education and scientific research.

Speaking at the signing ceremony, the two sides expressed their joy at the fine development of the relations between the Vietnamese and Iraqi peoples, and wished the program to be fully implemented to contribute to further strengthening the friendship and cooperation between the two countries.

Paper Says Hanoi To Tighten Press Controls

BK0408012890 Hong Kong AFP in English 1808 GMT 3 Aug 90

[Text] Hanoi, Aug 3 (AFP)—Vietnam's communist leadership plans to tighten its already strict press controls, the official NHAN DAN said Friday. The party secretariat will strengthen state and party controls on publishing and the press at a time when "imperialism and hostile forces are using them to incite political and ideological trouble," the party daily said.

Authorities believe the country is the target of a "plot by imperialists and reactionary Vietnamese" to overthrow the communist system, the paper said. Hanoi has condemned the recent wave of political liberalization sweeping socialist countries.

Newspaper editors and publishers must now "be members of the party and responsible for carrying out the party's political and ideological orientations," NHAN DAN said.

The rule was apparently directed at the press in Ho Chi Minh City, formerly Saigon, which has become increasingly independent in recent years. Tighter restrictions were necessary to stop "the circulation of reactionary and decadent publications" opposing "party lines, falsifying history and repudiating revolutionary gains," NHAN DAN said.

Friday's announcement followed several months of tighter political and ideological controls, particularly over intellectuals.

National Conference Held on Publication Work

BK0308101390 Hanoi Domestic Service in Vietnamese 1100 GMT 30 Jul 90

[Text] A national conference on publication work was held this morning in Hanoi by the party Central Committee's Ideological and Cultural Department in coordination with the Ministry of Culture, Information, Tourism, and Sports.

Comrade Tran Trong Tan, head of the party Central Committee's Ideological and Cultural Department; and Tran Hoan, minister of culture, information, sports, and tourism, presided over the conference which was attended by representatives of 29 central publishing houses and 23 local publishing houses, and of the propaganda-training sections of over 30 provincial, city, and special zone party committees; and the comrade directors and deputy directors of various information and cultural offices throughout the country.

Also present were representatives of the offices of the party Central Committee and the Council of Ministers, representatives of many cultural and artistic associations, and representatives of various branches and sectors concerned at the central level and in Hanoi.

During its first day of work, the conference heard comrade Tran Trong Tan disseminate the two newly-promulgated directives of the party Central Committee Secretariat on a number of matters in cultural and artistic work and a soon-to-be-promulgated directive on intensified control over press publication work.

Comrade Tran Trong Tan pointed out: The dissemination of Political Bureau's Resolution No.5 on cultural and artistic work reminds the participants that in the face of the new national situation, they must clarify the party's leadership over cultural and artistic work and exercise the functions of state management over cultural and artistic activities.

The participants also heard a speech by comrade Dao Duy Tung, member of the Political Bureau and secretary of the party Central Committee. They also heard some reports on other subjects.

The conference will spend most of its time discussing publication work in the past and measures to be taken to overcome the current anarchic situation in publication work.

Council Chairman Decides on Academic Issues

BK0408125390 Hanoi Domestic Service in Vietnamese 1100 GMT 1 Aug 90

[Text] On 30 July 1990, the chairman of the Council of Ministers decided on a number of urgent issues in connection with the 1990-91 academic year as follows:

—Permit the educational and training sector to open popular schools—not privately-run schools—under the beginner and general educational system. The regulations on popular schools will be promulgated by the Ministry of Education and Training.
—The Ministry of Finance and the people's committees of various provinces, cities, and special zones are responsible for ensuring the already approved budget for the educational and training sector in the 1990 plan.
—The Ministry of Education and Training is delegated with the duty of directly handling the budget reserved for various major programs such as those for anti-illiteracy, for popularization of elementary education, for fighting against the degradation of a number of key schools, and for intensifying education activities in the mountain region and areas inhabited by ethnic groups.
—Localities that owe salary or seniority allowances to school teachers must neatly settle this issue for a bulk of their teachers before the opening of the new school year—5 September 1990—at the latest.
—From now on, teachers in all localities will receive their pay at the same time as personnel of government agencies.
—As for articles manufactured by the production and service establishments of various schools or other educational and training units, if sold outside schools, they shall be subjected to taxation in accordance with the system now applied to administrative organs engaging in economic activities.
—Regarding schools with requirements for investment in order to obtain money to strengthen their material bases and training equipment, they must plan these activities and include them in the plan of the respective sector or locality. The financial agency concerned shall consider refunding the schools concerned the amount of tax money already collected, regarding this as an expense covered by the state budget.
—In order to ensure managerial requirements and to provide close guidance for educational substance and methods and for the planned development of various academic echelons, from now on, whenever a people's committee at any level plans to change its academic organization or the key cadres of the local academic management organ, it must discuss with and seek the approval from a higher academic management organ prior to reaching a decision.

Australia

Foreign Affairs Ministry Summons Iraqi Ambassador

BK0708073090 Hong Kong AFP in English 0713 GMT 7 Aug 90

[Text] Canberra, Aug 7 (AFP)—Iraq's ambassador was summoned to the Foreign Affairs Department here Tuesday to be told of Canberra's concern for Australians caught up in the Gulf conflict, a department spokesman said. The spokesman said senior officials expressed concern to Ambassador 'Afif 'Issa Al-Rawi about the well-being of 40 to 50 Australians in Kuwait, which was overrun by Iraqi troops on Thursday [2 August]. The Australians include three passengers aboard a British Airways plane seized in Kuwait, although the spokesman said they apparently were not among those taken by coach to Baghdad. He said that an Australian man and two women holding dual British and Australian nationality were among the 200 passengers removed from the flight. A British Airways official in Auckland said three New Zealanders were also believed to have been on board.

Mr. Al-Rawi later told journalists that the Iraqi Government guaranteed the safety of the three Australian passengers but would not say whether Baghdad would meet Canberra's demand that they be allowed to leave the region immediately. "They are safe. They are safe," he said. The foreign affairs spokesman said the Australian Embassy in Baghdad was keeping in contact with some 30 Australians living in Iraq. "No Australians appear to have come out of Kuwait to Baghdad so far," he said, adding that "none appears in any immediate physical danger."

Mr. Al-Rawi was also told Tuesday of sanctions Australia is imposing against Iraq, including an embargo on oil imports from Iraq and Kuwait and the freezing of Iraqi assets in Australia. Announcing the sanctions, Attorney-General Michael Duffy said Monday night that Canberra would also embargo weapons sales to Iraq and had revoked an export licence for the sale of 850 million dollars (666 million U.S.) of engine components to the Iraqi Air Force. "The Iraqi invasion was a gross and indefensible violation of the United Nations Charter and posed a most serious threat to the overall stability of the Middle East," Mr. Duffy said. "Australia condemned the invasion unreservedly and continued to call for the immediate and unconditional withdrawal of all Iraqi forces."

U.S. Army Accused of Retaining Chemical Arms

BK0608065390 Melbourne Overseas Service in English 0500 GMT 6 Aug 90

[Text] The controversial chemical weapons stock the United States plans to move from West Germany to Johnston Atoll could be held long-term in the Pacific and kept for deployment by the military. The United States Army says it is moving the highly toxic chemical agent to Johnston Atoll for disposal at a high temperature incinerator.

But Radio Australia's South Pacific correspondent, Jemimah Gareth, says that once the weapons arrive in the Pacific, they will come under the control of the American Army's Chemical Activity Western Command and not the Office of Chemical Weapons Demilitarization. Our correspondent says the United States has not given a binding commitment to destroy all its chemical weapons. The West German weapons are among the most modern in the U.S. arsenal.

Sanctions Against South Africa To Remain

BK0708101090 Hong Kong AFP in English 0940 GMT 7 Aug 90

[Text] Canberra, Aug 7 (AFP)—Australia will maintain its sanctions against South Africa despite progress towards the peaceful dismantling of apartheid, officials said Tuesday. A foreign affairs department spokesman said that Canberra would maintain sporting and economic bans until the "remaining legislative pillars of apartheid crumbled completely." The anti-apartheid African National Congress (ANC) has suspended armed struggle against white rule in South Africa, while Pretoria has agreed to release political prisoners and review laws banning some organisations.

The spokesman said the agreement between the ANC and the South African Government "represent a major step forward in the process of peaceful constitutional change in South Africa." "The ANC decision to suspend (its campaign) is a significant concession and will make a major contribution to the establishment of a climate for negotiation," he said. "The Australian Government also welcomes the phased release of political prisoners (and) urges South Africa to act quickly and maintain momentum of reform," the spokesman said.

Victoria's State Premier John Cain Resigns

BK0708043990 Hong Kong AFP in English 0357 GMT 7 Aug 90

[Text] Melbourne, Australia, Aug 7 (AFP)—Victoria's Premier John Cain, whose Labor state government has been racked by a series of financial disasters, announced his resignation Tuesday. Mr. Cain, premier since 1982, said he was resigning because of a lack of loyalty "that has afflicted this government for the last five or six months." The 59-year-old Labor leader did not specifically refer to the financial problems besetting this Southern Australian State. Financial analysts have estimated thatr the government's losses, running to several billion dollars, will cost each Victoria family more than 5,000 Australian dollars (4,000 U.S.).

These come mainly from the collapse or failure of five state institutions—the Victorian Economic Development Corporation, Workcare, the Merchant Bank Tricontinental, the Farrow Group of Building Societies and Victorian Equity Trust. In June, two leading world rating agencies downgraded Victoria's credit rating. One of them, the New York-based Moody's Investors Service, said it believed the state government's "political indecision and uncertainty" would limit its ability to manage its way through financial difficulties.

The Australian Bureau of Statistics said recently that Victoria had accumulated a 3.2 billion dollar (2.55 billion U.S.) deficit over the past two years. Contributing to this were bad and doubtful debts totalling 795 million dollars (635 million U.S.) incurred by the State Bank of Victoria's merchant banking arm, Tricontinental. Workcare, set up to provide a fairer system of worker compensation, was estimated earlier this year to have built up a four billion dollar (3.2 billion U.S.) unfunded liability.

A recent report commissioned by the Macquarie Bank said Victoria's rate of spending was 12 per cent above the national average and that the rate of government debt to revenue was 20 per cent, the highest of any Australian state. Mr. Cain said problems within his government had affected its capacity to ensure a tough and appropiate budget, which has been delayed until later this month. But he said his decision to resign had not been prompted by "one thing, by one individual." "It's about a series of actions and an attitude in certain quarters that have taken its toll on the essential unity and authority it must have," said Mr. Cain, who is expected to stay on as caretaker premier until the party parliamentary caucus votes for a new leader, possibly later this week.

Deputy Premier Joan Kirner and Conservation Minister Steve Crabb are tipped as leading contenders for the job. Mr. Cain, whose father was a former Labor leader in Victoria, retained office in state elections last year before most of the financial disasters struck. But these had an impact on federal elections last March, when Prime Minister Bob Hawke lost eight Labor seats in Victoria.

Fiji

Forum Criticized for 'Racist' Constitution

BK0708064390 Hong Kong AFP in English 0523 GMT 7 Aug 90

[Text] Suva, Aug 7 (AFP)—Opposition leader Adi Kuini Bavadra lashed out Tuesday at the South Pacific Forum's failure to repudiate Fiji's "racist" new constitution. Adi Kuini slammed the 15-nation Forum as preaching double standards by "criticising apartheid in South Africa on one hand and endorsing racism in Fiji on the other." The widow of former Prime Minister Timoci Bavadra—who was deposed in a 1987 coup—said the Forum had "lost its credibility as a regional organisation" by not condemning the constitution, which guarantees political power to indigenous Fijians.

She said her National Federation-Fiji Labour Party coalition was dismayed by Australia and New Zealand's sudden support for the constitution after their leaders met interim Prime Minister Ratu Sir Kamisese Mara at the Forum in Vanuatu last week. "I want to ask the Forum: To what extent does a political crisis in a member country motivate the Forum ... to be able to respond more positively?" she asked. "Are they waiting for a civil war to break out?" The largely ethnic Indian-backed coalition party would remain steadfast in its plan to boycott general elections expected to be held late in 1991, she said.

"If we are to participate in the elections it would weaken our struggle for a just and fair society," she said. Adi Kuini, a hereditary Fijian chief, said the new constitution not only discriminated against ethnic Indians, who nearly number half of the 727,000 population, but also indigenous Fijians. She said the new constitution "is heavily loaded in favour of the chiefs." Indigenous Fijians in rural areas where the power of chiefs is strongest will vote for 32 of the 37 Fijian parliamentarians. Ethnic Indians will have 27 seats, Polynesian Rotumans one, and Chinese and part-Europeans five in the 70-seat house of representatives. The new constitution replaces the 1970 document abrogated after the 1987 military coups here.

New Zealand

U.N. Trade Sanctions on Iraq To Be Implemented

BK0708042390 Hong Kong AFP in English 0333 GMT 7 Aug 90

[Text] Wellington, Aug 7 (AFP)—New Zealand will implement comprehensive trade sanctions against Iraq in support of the U.N. Security Council's decision, Prime Minister Geoffrey Palmer said Tuesday. "This is just the sort of positive step we have been hoping the United Nations Security Council would take," he said in a statement. "Appropriate regulations to enforce sanctions will be put in place as soon as possible." He said New Zealanders in Kuwait—there are thought to be only about 25—had been told the keep in touch with the British embassy. Trade sanctions against Iraq will affect New Zealand's dairy export trade to that country, which stood at 19.3 million dollars (11.3 million U.S) during the first six months of this year. New Zealand does not buy oil from Kuwait or Iraq.

Papua New Guinea

Namaliu Optimistic on Bougainville Peace

BK0608134190 Hong Kong AFP in English 1230 GMT 6 Aug 90

[Text] Port Moresby, Aug 6 (AFP)—Papua New Guinea's Prime Minister Rabbie Namaliu predicted

Monday that an agreement with secession-seeking Bougainville island would bring peace. "For the first time since the present crisis erupted there is a real chance of reaching a negotiated and lasting settlement of our differences," Mr. Namaliu said in a statement. Officials from Bougainville and Port Moresby achieved a breakthrough in peace talks late Sunday when Port Moresby agreed to restore essential services to the copper-rich island.

But they deferred thrashing out Bougainville's three-month-old independence declaration. The two sides opened talks July 29 aboard New Zealand's HMNZS [Her Majesty's New Zealand Ship] "Endeavour" in a bid to resolve the 16-month secessionist conflict, which claimed more than 80 lives before a March cease-fire. The government slapped a transportation and communications blockade on the island—1,000 kilometres (620 miles) northeast of here—after the Bougainville Revolutionary Army declared independence. No timetable for the resumption of services was announced when Foreign Minister Michael Somare and provincial Premier Joseph Kabui signed the "Endeavour accord," but medicine, education and communications took priority. Two tonnes of medical supplies were airlifted ashore from HMNZS Wellington, one of three New Zealand ships involved in the talks. The next round of talks is set for September 24 at an undecided venue. The origins of the conflict trace to landowners seeking compensation from the giant Australian-run copper mine on the island.

Somare Receives 'Hero's Welcome'

BK0708030090 Hong Kong AFP in English 0227 GMT 7 Aug 90

[Text] Port Moresby, Aug 7 (AFP)—Papua New Guinea (PNG) Foreign Minister Sir Michael Somare received a hero's welcome on his return here Monday night from talks on a New Zealand warship which have laid the ground for a peace settlement on Bougainville island. The capital's Bougainville community turned out in force at the airport to greet Sir Michael, presenting him with a lei and performing a dance in his honour. Sir Michael, the PNG government's chief envoy at the talks, said services would be restored on the island over the next three weeks. This was one of the key elements in the initial accord reached Sunday with the Bougainville Rebel Army (BRA) for a settlement to the 16-month conflict which claimed more than 80 lives.

Sir Michael said a large quantity of fuel would be allowed into the island, which has been isolated by a government blockade, as well as food and medical supplies. This would be followed by the reopening of schools and the restoration of telecommunications which have also been cut since the government withdrew its security forces from the island as part of a March ceasefire. Sir Michael said young Bougainville men would be mobilised to work large plantations left abandoned by their owners who would also be asked to return.

The foreign minister said he wanted officials involved in the peac talks aboard the HMNZS [Her Majesty's New Zealand Ship] Endeavour to be directly involved in the restoration of services. He also announced that both sides had agreed to the appointment of an administrator on Bougainville and the suspension of the North Solomons Provincial Government which in any case was virtually non-existent. Mr. Somare said the second round of talks with the BRA was expected to begin in eight weeks to address issues such as the future of the Bougainville Copper Ltd. mine at Panguna. The origins of the Bougainville conflict trace to landowners seeking compensation from the giant Australian-run mine, which was closed by rebel attacks last year.